OFFICIAL STATEMENT DATED FEBRUARY 10, 2021

NEW ISSUE – Book-Entry Only

RATINGS:
Fitch: A
Moody's: A1
(See "Ratings" herein)

In the opinion of Bond Counsel, under existing law, the Series 2021A Bonds, their transfer, the interest payable on them, and any income derived from them, including any profit realized in their sale or exchange, shall be exempt from taxation by the State or by any of its political subdivisions, municipal corporations, or public agencies; no opinion is expressed as to estate or inheritance taxes or any other taxes not levied or assessed directly on the Series 2021A Bonds, their transfer or the income therefrom. Interest on the Series 2021A Bonds will be includable in gross income for federal income tax purposes. See "TAX MATTERS."

MARYLAND DEPARTMENT OF TRANSPORTATION

MARYLAND DEPARTMENT OF TRANSPORTATION

$219,880,000

Special Transportation Project Refunding Revenue Bonds (Baltimore/Washington International Thurgood Marshall Airport), Series 2021A (Federally Taxable)

Dated: Date of delivery **Due: As shown on the inside cover**

The Maryland Department of Transportation Special Transportation Project Refunding Revenue Bonds (Baltimore/Washington International Thurgood Marshall Airport), Series 2021A (Federally Taxable) (the "Series 2021A Bonds") will be issued as fully registered bonds without coupons in denominations of $5,000 or any integral multiple thereof. The Series 2021A Bonds initially will be maintained under a book-entry system and registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2021A Bonds. Interest on the Series 2021A Bonds from the date of delivery of the Series 2021A Bonds will be payable semiannually on February 1 and August 1 of each year, commencing August 1, 2021. So long as the Series 2021A Bonds are maintained under a book-entry system, payments of principal of and premium, if any, and interest on the Series 2021A Bonds will be made when due by Zions Bancorporation, National Association, as trustee (the "Trustee"), to DTC in accordance with the Trust Agreement described herein (the "Trust Agreement"), and the Trustee will have no obligation to make any payments to any beneficial owner of the Series 2021A Bonds. See "THE SERIES 2021A BONDS – Book-Entry Only System."

The proceeds of the Series 2021A Bonds will be used to: (i) refund certain outstanding revenue bonds more fully described herein, (ii) fund a debt service reserve fund securing the Series 2021A Bonds and (iii) pay certain costs of issuance of the Series 2021A Bonds. See "PLAN OF FINANCE" and "SOURCES AND USES OF FUNDS."

The Series 2021A Bonds are not subject to redemption prior to maturity. See "THE SERIES 2021A BONDS – Redemption."

The Series 2021A Bonds are limited obligations of the Maryland Department of Transportation (the "Department") payable solely from the Trust Estate under the Trust Agreement and are not and shall not be deemed (i) to be general obligations of the Department, (ii) to constitute obligations of the Maryland Aviation Administration (the "MAA") or (iii) to constitute a debt or a pledge of the faith and credit of the State of Maryland or any political subdivision thereof. Neither the Department nor the MAA has taxing power.

For a discussion of certain investment considerations associated with the purchase of the Series 2021A Bonds, see "INVESTMENT CONSIDERATIONS."

FOR MATURITY SCHEDULES, INTEREST RATES, YIELDS AND CUSIPS, SEE INSIDE COVER

The Series 2021A Bonds are offered for delivery when, as and if issued by the Department and subject to the approving opinion of McKennon Shelton & Henn LLP, Baltimore, Maryland, Bond Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, McGuireWoods LLP, for the Department by an Assistant Attorney General and Principal Counsel to the Department; and for the MAA by an Assistant Attorney General and Principal Counsel to the MAA. It is expected that the Series 2021A Bonds will be available for delivery through the facilities of DTC on or about February 25, 2021.

This cover page contains certain information for quick reference only. This cover page is not intended to be a summary of the Official Statement. Investors must read the Official Statement in its entirety to obtain information essential to the making of an informed investment decision.

CITIGROUP

BOFA SECURITIES **UBS**

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIPS

$219,880,000
Maryland Department of Transportation
Special Transportation Project Refunding Revenue Bonds
(Baltimore/Washington International Thurgood Marshall Airport),
Series 2021A (Federally Taxable)

Due August 1	Principal Amount	Interest Rate	Yield	CUSIP‡
2023	$26,755,000	0.361%	0.361%	57421FAA5
2024	26,855,000	0.526	0.526	57421FAB3
2025	26,995,000	0.806	0.806	57421FAC1
2026	27,215,000	0.906	0.906	57421FAD9
2027	27,460,000	1.253	1.253	57421FAE7
2028	27,805,000	1.303	1.303	57421FAF4
2029	28,165,000	1.636	1.636	57421FAG2
2030	28,630,000	1.686	1.686	57421FAH0

‡ CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, which is managed by S&P Capital IQ, a division of McGraw-Hill Financial, and the Department takes no responsibility for the accuracy thereof. These data are not intended to create a database and do not serve in any way as a substitute for CUSIP Global Services. The CUSIP numbers are subject to being changed after the issuance of the Series 2021A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the Series 2021A Bonds.

No dealer, broker, sales representative or any other person has been authorized by the Department to give any information or to make any representation, other than those contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized by the Department. This Official Statement is delivered in connection with the sale of securities referred to herein and may not be reproduced or used, in whole or part, for any other purposes. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2021A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been provided by the Department and other sources. The Department believes that the information contained in this Official Statement is correct and complete and has no knowledge of any inaccuracy or incompleteness as to any of the information herein contained. The information set forth herein is not guaranteed as to accuracy or completeness by the Department and is not to be construed as a representation by the Department as to information from sources other than the Department. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Department since the date hereof.

No quotations from or summaries or explanations of provisions of law and documents herein purport to be complete and reference is made to such laws and documents for full and complete statements of their provisions. This Official Statement is not to be construed as a contract or agreement between the Department and the purchasers or holders of any of the Series 2021A Bonds described herein. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

The cover page hereof, list of officials, this page and the appendices attached hereto are part of this Official Statement.

The order and placement of materials in this Official Statement, including the appendices, are not to be deemed a determination of relevance, materiality or importance, and this Official Statement, including the appendices, must be considered in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provision or section of this Official Statement. The offering of the Series 2021A Bonds is made only by means of this entire Official Statement.

The Series 2021A Bonds have not been registered under the Securities Act of 1933, as amended, nor has the Trust Agreement described herein been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts.

IN MAKING AN INVESTMENT DECISION, INVESTORS SHOULD RELY ON THEIR OWN EXAMINATION OF THE DEPARTMENT AND THE MAA AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. NO REGISTRATION STATEMENT RELATING TO THE SERIES 2021A BONDS HAS BEEN FILED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION ("SEC") OR WITH ANY STATE SECURITIES AGENCY. THE SERIES 2021A BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY STATE SECURITIES AGENCY NOR HAS THE SEC OR ANY STATE SECURITIES AGENCY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

The Underwriters have provided the following sentence for inclusion in the Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The prices and other terms respecting the offering and sale of the Series 2021A Bonds may be changed from time to time by the Underwriters after the Series 2021A Bonds are released for sale, and the Series 2021A Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Series 2021A Bonds into investment accounts.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2021A BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The Trustee has neither participated in the preparation of, nor reviewed, this Official Statement.

INFORMATION CONCERNING OFFERING RESTRICTIONS IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES

MINIMUM UNIT SALES

THE SERIES 2021A BONDS WILL TRADE AND SETTLE ON A UNIT BASIS (ONE UNIT EQUALING ONE SERIES 2021A BOND OF $5,000 PRINCIPAL AMOUNT). FOR ANY SALES MADE OUTSIDE THE UNITED STATES, THE MINIMUM PURCHASE AND TRADING AMOUNT IS 30 UNITS (BEING 30 SERIES 2021A BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF $150,000).

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA ("EEA")

THIS OFFICIAL STATEMENT IS NOT A PROSPECTUS FOR THE PURPOSES OF EUROPEAN COMMISSION REGULATION 809/2004 OR EUROPEAN COMMISSION DIRECTIVE 2003/71/EC (AS AMENDED, INCLUDING BY EUROPEAN COMMISSION DIRECTIVE 2010/73/EU, AS APPLICABLE) (THE "PROSPECTUS DIRECTIVE"). IT HAS BEEN PREPARED ON THE BASIS THAT ALL OFFERS OF THE SERIES 2021A BONDS WILL BE MADE PURSUANT TO AN EXEMPTION UNDER ARTICLE 3 OF THE PROSPECTUS DIRECTIVE, AS IMPLEMENTED IN MEMBER STATES OF THE EEA, FROM THE REQUIREMENT TO PRODUCE A PROSPECTUS FOR SUCH OFFERS. THIS OFFICIAL STATEMENT IS ONLY ADDRESSED TO AND DIRECTED AT PERSONS IN MEMBER STATES OF THE EEA WHO ARE "QUALIFIED INVESTORS" WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE PROSPECTUS DIRECTIVE AND ANY RELEVANT IMPLEMENTING MEASURE IN EACH MEMBER STATE OF THE EEA ("QUALIFIED INVESTORS"). THIS OFFICIAL STATEMENT MUST NOT BE ACTED ON OR RELIED ON IN ANY SUCH MEMBER STATE OF THE EEA BY PERSONS WHO ARE NOT QUALIFIED INVESTORS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFICIAL STATEMENT RELATES IS AVAILABLE ONLY TO QUALIFIED INVESTORS IN ANY MEMBER STATE OF THE EEA AND WILL NOT BE ENGAGED IN WITH ANY OTHER PERSONS.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

THIS OFFICIAL STATEMENT HAS NOT BEEN APPROVED FOR THE PURPOSES OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 ("FSMA") AND DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC IN ACCORDANCE WITH THE PROVISIONS OF SECTION 85 OF THE FSMA. THIS OFFICIAL STATEMENT IS FOR DISTRIBUTION ONLY TO, AND IS DIRECTED SOLELY AT, PERSONS IN THE UNITED KINGDOM THAT ARE QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE PROSPECTUS DIRECTIVE WHO ARE ALSO (I) INVESTMENT PROFESSIONALS, AS SUCH TERM IS DEFINED IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "FINANCIAL PROMOTION ORDER") OR (I) HIGH NET WORTH ENTITIES, AND OTHER PERSONS TO WHOM IT MAY LAWFULLY BE COMMUNICATED, FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE FINANCIAL PROMOTION ORDER (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS OFFICIAL STATEMENT IS DIRECTED ONLY AT RELEVANT PERSONS AND MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS, INCLUDING IN CIRCUMSTANCES IN WHICH SECTION 21(1) OF THE FSMA APPLIES TO THE ISSUER. THIS OFFICIAL STATEMENT AND ITS CONTENTS ARE CONFIDENTIAL AND SHOULD NOT BE DISTRIBUTED, PUBLISHED OR REPRODUCED (IN WHOLE OR IN PART) OR DISCLOSED BY RECIPIENTS TO ANY OTHER PERSONS IN THE UNITED KINGDOM. IN THE UNITED KINGDOM, ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFICIAL STATEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. ANY PERSON WHO IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS OFFICIAL STATEMENT OR ANY OF ITS CONTENTS.

NOTICE TO PROSPECTIVE INVESTORS IN HONG KONG

THE SERIES 2021A BONDS (EXCEPT FOR SERIES 2021A BONDS WHICH ARE A "STRUCTURED PRODUCT" AS DEFINED IN THE SECURITIES AND FUTURES ORDINANCE (CAP. 571 OF THE LAWS OF HONG KONG) ("SECURITIES AND FUTURES ORDINANCE")) MAY NOT BE OFFERED OR SOLD IN HONG KONG BY MEANS OF ANY DOCUMENT OTHER THAN (I) IN CIRCUMSTANCES WHICH DO NOT CONSTITUTE AN OFFER TO THE PUBLIC WITHIN THE MEANING OF THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE (CAP. 32 OF THE LAWS OF HONG KONG) ("COMPANIES (WINDING UP AND MISCELLANEOUS

PROVISIONS) ORDINANCE") OR (II) TO "PROFESSIONAL INVESTORS" AS DEFINED IN THE SECURITIES AND FUTURES ORDINANCE AND ANY RULES MADE THEREUNDER, OR (III) IN OTHER CIRCUMSTANCES WHICH DO NOT RESULT IN THE DOCUMENT BEING A "PROSPECTUS" AS DEFINED IN THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE, AND NO ADVERTISEMENT, INVITATION OR DOCUMENT RELATING TO THE SERIES 2021A BONDS MAY BE ISSUED OR MAY BE IN THE POSSESSION OF ANY PERSON FOR THE PURPOSE OF ISSUE (IN EACH CASE WHETHER IN HONG KONG OR ELSEWHERE), WHICH IS DIRECTED AT, OR THE CONTENTS OF WHICH ARE LIKELY TO BE ACCESSED OR READ BY, THE PUBLIC OF HONG KONG (EXCEPT IF PERMITTED TO DO SO UNDER THE SECURITIES LAWS OF HONG KONG) OTHER THAN WITH RESPECT TO SERIES 2021A BONDS WHICH ARE OR ARE INTENDED TO BE DISPOSED OF ONLY TO PERSONS OUTSIDE HONG KONG OR ONLY TO "PROFESSIONAL INVESTORS" AS DEFINED IN THE SECURITIES AND FUTURES ORDINANCE AND ANY RULES MADE THEREUNDER.

NOTICE TO INVESTORS IN SWITZERLAND

THE SERIES 2021A BONDS MAY NOT BE PUBLICLY OFFERED IN SWITZERLAND AND WILL NOT BE LISTED ON THE SIX SWISS EXCHANGE ("SIX") OR ON ANY OTHER STOCK EXCHANGE OR REGULATED TRADING FACILITY IN SWITZERLAND. THIS OFFICIAL STATEMENT HAS BEEN PREPARED WITHOUT REGARD TO THE DISCLOSURE STANDARDS FOR ISSUANCE PROSPECTUSES UNDER ART. 652A OR ART. 1156 OF THE SWISS CODE OF OBLIGATIONS OR THE DISCLOSURE STANDARDS FOR LISTING PROSPECTUSES UNDER ART. 27 FF. OF THE SIX LISTING RULES OR THE LISTING RULES OF ANY OTHER STOCK EXCHANGE OR REGULATED TRADING FACILITY IN SWITZERLAND. NEITHER THIS OFFICIAL STATEMENT NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE SERIES 2021A BONDS OR THE OFFERING MAY BE PUBLICLY DISTRIBUTED OR OTHERWISE MADE PUBLICLY AVAILABLE IN SWITZERLAND.

NONE OF THIS OFFICIAL STATEMENT OR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE OFFERING, THE ISSUER OR THE SERIES 2021A BONDS HAVE BEEN OR WILL BE FILED WITH OR APPROVED BY ANY SWISS REGULATORY AUTHORITY. IN PARTICULAR, THIS OFFICIAL STATEMENT WILL NOT BE FILED WITH, AND THE OFFER OF THE SERIES 2021A BONDS WILL NOT BE SUPERVISED BY, THE SWISS FINANCIAL MARKET SUPERVISORY AUTHORITY ("FINMA"), AND THE OFFER OF THE SERIES 2021A BONDS HAS NOT BEEN AND WILL NOT BE AUTHORIZED UNDER THE SWISS FEDERAL ACT ON COLLECTIVE INVESTMENT SCHEMES ("CISA"). ACCORDINGLY, INVESTORS DO NOT HAVE THE BENEFIT OF THE SPECIFIC INVESTOR PROTECTION PROVIDED UNDER THE CISA.

NOTICE TO INVESTORS IN SINGAPORE

THIS OFFICIAL STATEMENT HAS NOT BEEN AND WILL NOT BE REGISTERED AS A PROSPECTUS WITH THE MONETARY AUTHORITY OF SINGAPORE. ACCORDINGLY, THIS OFFICIAL STATEMENT AND ANY OTHER DOCUMENT OR MATERIAL USED IN CONNECTION WITH THE OFFER OR SALE, OR INVITATION FOR SUBSCRIPTION OR PURCHASE, OF THE SERIES 2021A BONDS MAY NOT BE CIRCULATED OR DISTRIBUTED, NOR MAY THE SERIES 2021A BONDS BE OFFERED OR SOLD, OR BE MADE THE SUBJECT OF AN INVITATION FOR SUBSCRIPTION OR PURCHASE, WHETHER DIRECTLY OR INDIRECTLY, TO PERSONS IN SINGAPORE OTHER THAN (I) TO AN INSTITUTIONAL INVESTOR AS DEFINED IN SECTION 4A OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME (THE "SFA") PURSUANT TO SECTION 274 OF THE SFA, (II) TO A RELEVANT PERSON PURSUANT (AS DEFINED IN SECTION 275(2) OF THE SFA) TO SECTION 275(1), OR ANY PERSON PURSUANT TO SECTION 275(1A), AND IN ACCORDANCE WITH THE CONDITIONS SPECIFIED IN SECTION 275, OF THE SFA; OR (III) OTHERWISE PURSUANT TO, AND IN ACCORDANCE WITH THE CONDITIONS OF, ANY OTHER APPLICABLE PROVISION OF THE SFA. WHERE THE SERIES 2021A BONDS ARE SUBSCRIBED OR PURCHASED UNDER SECTION 275 OF THE SFA BY A RELEVANT PERSON THAT IS: (A) A CORPORATION (WHICH IS NOT AN ACCREDITED INVESTOR (AS DEFINED IN SECTION 4A OF THE SFA)) THE SOLE BUSINESS OF WHICH IS TO HOLD INVESTMENTS AND THE ENTIRE SHARE CAPITAL OF WHICH IS OWNED BY ONE OR MORE INDIVIDUALS, EACH OF WHOM IS AN ACCREDITED INVESTOR; OR (B) A TRUST (WHERE THE TRUSTEE IS NOT AN ACCREDITED INVESTOR) WHOSE SOLE PURPOSE IS TO HOLD INVESTMENTS AND EACH BENEFICIARY OF THE TRUST IS AN INDIVIDUAL WHO IS AN ACCREDITED INVESTOR, SECURITIES OR SECURITIES-BASED DERIVATIVES CONTRACTS (EACH AS DEFINED IN SECTION 2(1) OF THE SFA) OF THAT

CORPORATION OR THE BENEFICIARIES' RIGHTS AND INTEREST (HOWSOEVER DESCRIBED) IN THAT TRUST SHALL NOT BE TRANSFERRED WITHIN 6 MONTHS AFTER THAT CORPORATION OR THAT TRUST HAS ACQUIRED THE SERIES 2021A BONDS PURSUANT TO AN OFFER MADE UNDER SECTION 275 OF THE SFA EXCEPT: (I) TO AN INSTITUTIONAL INVESTOR OR TO A RELEVANT PERSON, OR TO ANY PERSON ARISING FROM AN OFFER REFERRED TO IN SECTION 275(1A) OR SECTION 276(4)(I)(B) OF THE SFA; (II) WHERE NO CONSIDERATION IS OR WILL BE GIVEN FOR THE TRANSFER; (III) WHERE THE TRANSFER IS BY OPERATION OF LAW; (IV) AS SPECIFIED IN SECTION 276(7) OF THE SFA; OR (V) AS SPECIFIED IN REGULATION 37A OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVE CONTRACTS) REGULATIONS 2018 OF SINGAPORE.

Notification under Section 309B(1)(C) of the SFA

IN CONNECTION WITH SECTION 309B OF THE SFA AND THE SECURITIES AND FUTURES (CAPITAL MARKETS PRODUCTS) REGULATIONS 2018 OF SINGAPORE (THE "CMP REGULATIONS 2018"), THE ISSUER HAS DETERMINED, AND HEREBY NOTIFIES ALL RELEVANT PERSONS (AS DEFINED IN SECTION 309A(1) OF THE SFA), THAT THE SERIES 2021A BONDS ARE 'PRESCRIBED CAPITAL MARKETS PRODUCTS' (AS DEFINED IN THE CMP REGULATIONS 2018) AND ARE EXCLUDED INVESTMENT PRODUCTS (AS DEFINED IN MAS NOTICE SFA 04-N12: NOTICE ON THE SALE OF INVESTMENT PRODUCTS AND MAS NOTICE FAA-N16: NOTICE ON RECOMMENDATIONS ON INVESTMENT PRODUCTS).

NOTICE TO PROSPECTIVE INVESTORS IN TAIWAN

THE OFFER OF THE SERIES 2021A BONDS HAS NOT BEEN AND WILL NOT BE REGISTERED OR FILED WITH, OR APPROVED BY, THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN AND/OR OTHER REGULATORY AUTHORITY OF TAIWAN PURSUANT TO RELEVANT SECURITIES LAWS AND REGULATIONS, AND THE SERIES 2021A BONDS MAY NOT BE OFFERED, ISSUED OR SOLD IN TAIWAN THROUGH A PUBLIC OFFERING OR IN CIRCUMSTANCES WHICH CONSTITUTE AN OFFER WITHIN THE MEANING OF THE SECURITIES AND EXCHANGE ACT OF TAIWAN THAT REQUIRES THE REGISTRATION OR FILING WITH OR APPROVAL OF THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN. THE SERIES 2021A BONDS MAY BE MADE AVAILABLE OUTSIDE TAIWAN FOR PURCHASE BY INVESTORS RESIDING IN TAIWAN (EITHER DIRECTLY OR THROUGH PROPERLY LICENSED TAIWAN INTERMEDIARIES), BUT MAY NOT BE OFFERED OR SOLD IN TAIWAN EXCEPT TO QUALIFIED INVESTORS VIA A TAIWAN LICENSED INTERMEDIARY. ANY SUBSCRIPTIONS OF THE SERIES 2021A BONDS SHALL ONLY BECOME EFFECTIVE UPON ACCEPTANCE BY THE ISSUER OR THE RELEVANT DEALER OUTSIDE TAIWAN AND SHALL BE DEEMED A CONTRACT ENTERED INTO IN THE JURISDICTION OF INCORPORATION OF THE ISSUER OR RELEVANT DEALER, AS THE CASE MAY BE, UNLESS OTHERWISE SPECIFIED IN THE SUBSCRIPTION DOCUMENTS RELATING TO THE SERIES 2021A BONDS SIGNED BY THE INVESTORS.

NOTICE TO INVESTORS IN JAPAN

THE SERIES 2021A BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT OF JAPAN (NO. 25 OF 1948, AS AMENDED, THE "FIEA"). NEITHER THE SERIES 2021A BONDS NOR ANY INTEREST THEREIN MAY BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO, OR FOR THE BENEFIT OF, ANY "RESIDENT" OF JAPAN (AS DEFINED UNDER ITEM 5, PARAGRAPH 1, ARTICLE G OF THE FOREIGN EXCHANGE AND FOREIGN TRADE ACT (ACT NO. 228 OF 1949, AS AMENDED)), OR TO OTHERS FOR RE-OFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO, OR FOR THE BENEFIT OF, ANY RESIDENT OF JAPAN, EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF, AND OTHERWISE IN COMPLIANCE WITH, THE FIEA AND ANY OTHER APPLICABLE LAWS, REGULATIONS AND MINISTERIAL GUIDELINES OF JAPAN.

THE PRIMARY OFFERING OF THE SERIES 2021A BONDS AND THE SOLICITATION OF AN OFFER FOR ACQUISITION THEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER PARAGRAPH 1, ARTICLE 4 OF THE FIEA. AS IT IS A PRIMARY OFFERING, IN JAPAN, THE SERIES 2021A BONDS MAY ONLY BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY TO, OR FOR THE BENEFIT OF CERTAIN QUALIFIED INSTITUTIONAL INVESTORS AS DEFINED IN THE FIEA ("QIIS"). A QII WHO PURCHASED OR OTHERWISE

OBTAINED THE SERIES 2021A BONDS CANNOT RESELL OR OTHERWISE TRANSFER THE SERIES 2021A BONDS IN JAPAN TO ANY PERSON EXCEPT ANOTHER QII.

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STATE OF MARYLAND

Larry Hogan, Governor

Maryland Department of Transportation

Gregory Slater, Secretary

Sean P. Powell, Deputy Secretary of Operations and Homeland Security

R. Earl Lewis, Jr., Deputy Secretary of Policy, Planning and Enterprise Services

Cheryl A.C. Brown-Whitfield, Assistant Attorney General/Principal Counsel

Jaclyn D. Hartman, Chief Financial Officer

Maryland Aviation Administration

Ricky D. Smith Sr., Executive Director

James G. Walsh, Chief Financial Officer and Chief of Business Development & Management

William C. Lindsey, Assistant Attorney General/Principal Counsel

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BOND COUNSEL

McKennon Shelton & Henn LLP
Baltimore, Maryland

FINANCIAL ADVISORS

PFM Financial Advisors, LLC
Orlando, Florida

People First Financial Advisors
Landover, Maryland

OFFICIAL STATEMENT

of the

MARYLAND DEPARTMENT OF TRANSPORTATION

relating to

$219,880,000
Special Transportation Project Refunding Revenue Bonds
(Baltimore/Washington International Thurgood Marshall Airport),
Series 2021A (Federally Taxable)

INTRODUCTION

General

This Official Statement sets forth information concerning the sale by the Maryland Department of Transportation (the "Department") of its $219,880,000 Special Transportation Project Refunding Revenue Bonds (Baltimore/Washington International Thurgood Marshall Airport), Series 2021A (Federally Taxable) (the "Series 2021A Bonds").

The Series 2021A Bonds are limited obligations of the Department issued pursuant to (i) Sections 3-601 through 3-607 of the Transportation Article of the Annotated Code of Maryland, as amended (the "Enabling Legislation"), (ii) the Trust Agreement dated as of February 1, 2021 between the Department and Zions Bancorporation, National Association (the "Trustee" and the "Registrar and Paying Agent") (the "Trust Agreement"), (iii) a resolution of the Secretary of Transportation (the "Secretary") dated as of February 2, 2021 and (iv) a resolution of the Board of Public Works of the State of Maryland dated as of November 18, 2020. The Trust Agreement will be executed in connection with the issuance of the Series 2021A Bonds, and the form of the Trust Agreement is included in Appendix A hereto. Unless otherwise indicated, terms used but not otherwise defined herein have the meanings assigned to such terms in the Trust Agreement.

The Department was created as a principal department of the government of the State of Maryland (the "State") in 1971. The head of the Department is the Secretary who is appointed by the Governor of the State (the "Governor") with the advice and consent of the Senate of Maryland. See "THE DEPARTMENT" herein.

BWI Marshall Airport

Baltimore/Washington International Thurgood Marshall Airport ("BWI Marshall Airport" or "BWI Marshall") is one of three major airports serving the Baltimore-Washington metropolitan area. Located nine miles south of Baltimore and 32 miles northeast of Washington, D.C., BWI Marshall Airport is situated on a 3,596-acre site in Anne Arundel County, Maryland between Baltimore and Washington, D.C. See "BALTIMORE/WASHINGTON INTERNATIONAL THURGOOD MARSHALL AIRPORT – General." BWI Marshall Airport is owned by the State and operated by the Maryland Aviation Administration, one of five modal administrations of the Department (the "MAA"). See "MARYLAND AVIATION ADMINISTRATION."

Based upon passenger enplanements in calendar year 2019, BWI Marshall Airport was the 22nd busiest airport in the United States. In July 2019, Southwest Airlines ("Southwest") accounted for 64.8% of total scheduled departing seats at BWI Marshall Airport and BWI Marshall Airport accounted for 5.4% of the total scheduled departing seats in Southwest's system, making BWI Marshall Airport the third busiest airport in Southwest's system. See "BALTIMORE/WASHINGTON INTERNATIONAL THURGOOD MARSHALL AIRPORT – Aviation Activity." For more recent airport activity figures reflecting the impact of the COVID-19 pandemic on BWI Marshall Airport, see "IMPACT OF COVID-19 ON THE AIRPORTS – General" and "-- Summary of Initial Impact of Pandemic on BWI Marshall Airport".

Martin State Airport

Martin State Airport ("Martin State Airport") located in Baltimore County, Maryland is owned by the State and operated by the MAA as a joint civilian-military facility, serving the needs of private and corporate aircraft owners and military and police users. Martin State Airport also serves as a federally designated reliever airport for noncommercial air carrier traffic at BWI Marshall Airport.

COVID-19 Pandemic

Investors are urged to read this Official Statement in its entirety, and the information described herein should be read in conjunction with the sections entitled "IMPACT OF COVID-19 ON THE AIRPORTS." The section entitled "IMPACT OF COVID-19 ON THE AIRPORTS" describes the federal, state and local response to the COVID-19 pandemic and the material impact to BWI Marshall Airport and Martin State Airport.

The Air Service Area

The Baltimore-Washington metropolitan area is the most educated, highest income and fourth largest metropolitan area in the United States. Although BWI Marshall draws the majority of its passengers from the Baltimore-Washington area, many passengers from Southern Pennsylvania and Delaware also use BWI Marshall due to its combination of convenient highway and rail access, low fares and "easy come, easy go" reputation (collectively, the "Air Service Area").

Agreement with Airlines

The MAA has entered into a Use and Lease Agreement (the "Airline Agreement") with fifteen airlines operating at BWI Marshall Airport, including, Alaska Airlines ("Alaska"), Air Canada, American Airlines ("American"), British Airways, Condor Airlines, Delta Air Lines ("Delta"), JetBlue Airways ("JetBlue"), Southwest, Spirit Airlines ("Spirit") and United Airlines ("United"), as well as cargo airlines Federal Express ("FedEx"), United Parcel Services ("UPS"), Air Transportation International ("ATI"), ABX Air ("ABX"), and Atlas Air ("Atlas") (collectively, the "Signatory Airlines"). The current term of the Airline Agreement commenced on July 1, 2019 and extends through June 30, 2026. For fiscal year 2020, the Signatory Airlines accounted for more than 98.2% of total enplaned passengers at BWI Marshall Airport. See "AIRPORT AGREEMENTS – Airline Agreement" for more detailed discussion.

Other Agreements

Other agreements between the MAA and users of BWI Marshall Airport and Martin State Airport, respectively, which generate revenues that are included in the Pledged Revenues are (i) the Lease and Concession Contract for the operation and management of the food and beverage, retail, news and gift and certain other vendor services located at BWI Marshall Airport, (ii) the parking management contract for the management and operation of the parking facilities located at BWI Marshall Airport, and (iii) the agreements with the rental car companies operating at the consolidated rental car facility serving BWI Marshall Airport. See "AIRPORT AGREEMENTS – Other Agreements" for a more detailed discussion of such agreements.

Use of Proceeds of the Series 2021A Bonds

The proceeds of the Series 2021A Bonds will be used to: (i) refund certain outstanding revenue bonds more fully described herein (the "Refunded Bonds"), (ii) fund a debt service reserve fund securing the Series 2021A Bonds and (iii) pay certain costs of issuance of the Series 2021A Bonds. See "PLAN OF FINANCE" and "SOURCES AND USES OF FUNDS."

Additional Bonds

Under the Trust Agreement, the Department may issue Additional Bonds on parity with the Series 2021A Bonds, to the extent provided therein, subject to the satisfaction of certain conditions. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Additional Bonds" herein.

The Department plans to issue approximately $431.3 million of Additional Bonds in 2021 and 2022 to fund capital improvements at BWI Marshall Airport more particularly described and defined herein as the 2021 Project. See "BALTIMORE/WASHINGTON INTERNATIONAL THURGOOD MARSHALL AIRPORT – Planned Capital Improvements at BWI Marshall Airport – 2021 Project" herein. The 2021 Project is part of the pre-approved capital improvement program agreed to in the Airline Agreement, ensuring that the allocable debt service requirements of the Series 2021A Bonds and the Additional Bonds to be issued to finance the 2021 Project are included in the calculation of terminal rentals and use charges.

Security for the Bonds

The Series 2021A Bonds and any Additional Bonds issued under the Trust Agreement (collectively, the "Bonds") are payable solely from the Trust Estate pledged under the Trust Agreement. The Trust Estate consists of (i) the Pledged Revenues more particularly described herein, (ii) to the extent provided in the Trust Agreement, the amounts on deposit under the Trust Agreement and (iii) any other property rights and interests granted to the Trustee after the date of the Trust Agreement as and for additional security.

The revenue pledge under the Trust Agreement constitutes a *gross pledge* of the Pledged Revenues. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS." Upon the issuance of the Series 2021A Bonds and the refunding of the Refunded Bonds, all Bonds (including the Series 2021A Bonds) which are payable from, and secured by, the Pledged Revenues shall be issued under the provisions of the Trust Agreement.

The Bonds are limited obligations of the Department and shall not be deemed to (i) be general obligations of the Department, (ii) constitute obligations of the MAA or (iii) constitute a debt or a pledge of the faith and credit of the State or any political subdivision thereof. Neither the Department nor the MAA has taxing power.

All other expenditures and obligations of the Department are payable from amounts on deposit in the Department's Transportation Trust Fund (as defined herein) subject to the appropriation of such funds for such purpose by the Maryland General Assembly (the "General Assembly"). The Transportation Trust Fund is credited with taxes, fees, charges, federal grants for transportation purposes and other receipts (excluding passenger facilities charges and rental car customer facility charges) of the Department and the five modal administrations of the Department (including MAA). The Transportation Trust Fund pays the operating and maintenance expenses of all of the modal administrations of the Department, including (without limitation) BWI Marshall Airport and Martin State Airport, debt service on other indebtedness and obligations of the Department and the Department's annual contributions to the Maryland State Retirement and Pension System for its employees. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Transportation Trust Fund."

If the Pledged Revenues pledged to the payment of principal of and interest on the Bonds are insufficient to meet such debt service requirements, amounts on deposit in the Department's Transportation Trust Fund may be available for that purpose, subject to the appropriation of such funds for such purpose by the General Assembly. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Transportation Trust Fund." See also "COVID-19 IMPACT ON THE TRANSPORTATION TRUST FUND" for a discussion of the impact of the COVID-19 pandemic on the Transportation Trust Fund.

Report of Airport Consultant

The Department has retained LeighFisher to serve as the airport consultant (the "Airport Consultant") in connection with the issuance of the Series 2021A Bonds. The Airport Consultant prepared the Report of the Airport Consultant dated January 28, 2021 (the "ROAC"). The ROAC is included as Appendix D and takes into consideration the issuance of the Series 2021A Bonds and the issuance of Additional Bonds in 2021 and 2022 as described in "BALTIMORE/WASHINGTON INTERNATIONAL THURGOOD MARSHALL AIRPORT – Planned Capital Improvements at BWI Marshall Airport – 2021 Project" herein. The Airport Consultant has provided its consent to include the ROAC in this Official Statement. See "REPORT OF THE AIRPORT CONSULTANT" herein and "REPORT OF THE AIRPORT CONSULTANT" in Appendix D.

Investment Considerations

The Series 2021A Bonds may not be suitable for all investors. Prospective purchasers of the Series 2021A Bonds should read this Official Statement in its entirety. For a discussion of certain investment considerations relating to the Series 2021A Bonds, see "IMPACT OF COVID-19 ON THE AIRPORTS," "COVID-19 IMPACT ON THE TRANSPORTATION TRUST FUND" and "INVESTMENT CONSIDERATIONS."

Additional Information

This Official Statement contains brief descriptions of, among other things, the Series 2021A Bonds, the Trust Agreement, the Department, the MAA and BWI Marshall Airport. Such descriptions do not purport to be comprehensive or definitive. All references in this Official Statement to laws and documents are qualified in their entirety by reference to such laws and documents; references to the Series 2021A Bonds are qualified in their entirety by reference to the form of the Series 2021A Bonds included in the Trust Agreement. The form of the Trust Agreement is included in Appendix A hereto and copies of the final Trust Agreement and other agreements described in this Official Statement may be obtained upon written request from the Secretary.

Forward Looking Statements

All statements other than statements of historical facts included in this Official Statement are forward looking statements, including, without limitation: (i) statements concerning projections of future passenger activity at BWI Marshall Airport and of future financial performance at BWI Marshall Airport (see "REPORT OF THE AIRPORT CONSULTANT" herein and "REPORT OF THE AIRPORT CONSULTANT" in Appendix D), (ii) statements of the plans and objectives of the Department in relation to the BWI Marshall Airport capital improvement program and anticipated Additional Bonds (see "BALTIMORE/WASHINGTON INTERNATIONAL THURGOOD MARSHALL AIRPORT – Planned Capital Improvements at BWI Marshall Airport"), (iii) statements concerning developments and impact of COVID-19 (see "IMPACT OF COVID-19 ON THE AIRPORTS," "COVID-19 IMPACT ON THE TRANSPORTATION TRUST FUND" and "INVESTMENT CONSIDERATIONS") and (iv) assumptions relating to the statements described in clause (i) (collectively, the "Forward Looking Statements"). See "INVESTMENT CONSIDERATIONS – Forward Looking Statements."

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SOURCES AND USES OF FUNDS

The following is a description of the expected sources and uses of the proceeds of the Series 2021A Bonds.

Sources of funds:	
Par Amount of the Series 2021A Bonds	$219,880,000.00
Existing Debt Service Fund for Parking Refunded Bonds (defined herein)	12,587,157.24
Existing Debt Service Reserve Fund for Parking Refunded Bond	18,783,079.75
Total sources of funds	$251,250,236.99
Uses of funds:	
Deposit to Parking Refunded Bonds Escrow Deposit Fund (defined herein)	$108,009,101.53
Deposit to MEDCO Refunded Bonds Escrow Deposit Fund (defined herein)	120,044,317.05
Deposit to Debt Service Reserve Fund	21,988,000.00
Costs of Issuance(1)	1,208,818.41
Total uses of funds	$251,250,236.99

(1) Includes the Underwriters' discount, certain fees and expenses of the Department, the Trustee and the rating agencies, counsel fees, printing costs and other miscellaneous expenses.

THE SERIES 2021A BONDS

Details of the Series 2021A Bonds

The Series 2021A Bonds are issuable as fully registered bonds without coupons in denominations of $5,000 or any integral multiple thereof. The Series 2021A Bonds are dated as of the date of their delivery and will mature on August 1 of the years and in the principal amounts shown on the inside front cover of this Official Statement. The Series 2021A Bonds shall bear interest from their date until paid at the rate or rates set forth on the inside front cover (computed on the basis of a 360-day year composed of twelve 30-day months) payable on August 1, 2021 and semiannually thereafter on February 1 and August 1 of each year (the "Interest Payment Dates").

So long as the Series 2021A Bonds shall be maintained under a book-entry system, payments of the principal of, premium, if any, and interest on the Series 2021A Bonds will be made as described below under the heading "Book-Entry Only System." At any other time, interest on the Series 2021A Bonds will be payable by electronic funds transfer on each Interest Payment Date, or the next Business Day (herein defined) if such Interest Payment Date is not a Business Day, to each registered owner thereof at the address of such owner as it appears on the registration books of the Registrar and Paying Agent at the close of business on the 15th day of the month immediately preceding the Interest Payment Date (the "Record Date"), and the principal of the Series 2021A Bonds will be payable upon presentation and surrender of the Series 2021A Bonds, when due, at the designated corporate trust office of the Trustee. "Business Day" means a day other than a Saturday, Sunday or day on which banking institutions in the State or the city in which the designated corporate trust office of the Trustee is located are authorized or obligated to remain closed or a day in which the New York Stock Exchange is closed.

Redemption

The Series 2021A Bonds are not subject to redemption prior to maturity.

Registration and Exchange of Bonds

So long as the Series 2021A Bonds are maintained under a book-entry system, Beneficial Owners (as defined in Appendix E) thereof will have no right to receive physical possession of the Series 2021A Bonds, and transfers of ownership interests in the Series 2021A Bonds will be made through book-entries by DTC and the Direct Participants (as defined in Appendix E). See "Book-Entry Only System" below and "DTC AND BOOK-ENTRY ONLY SYSTEM" in Appendix E.

If the book-entry system is discontinued, upon surrender of the Series 2021A Bonds at the designated office of the Registrar and Paying Agent, together with an assignment duly executed by the registered owner or the attorney or legal representative of such owner in such form as shall be satisfactory to the Registrar and Paying Agent, such Bonds will be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of any authorized denomination or denominations, and bearing interest at the same rate as the Series 2021A Bonds surrendered for exchange.

The transfer of any Bond may be registered only upon the books kept for the registration and transfer of the Series 2021A Bonds upon surrender of such Bond to the Registrar and Paying Agent, together with an assignment duly executed by the registered owner or the attorney or legal representative of such owner in such form as shall be satisfactory to the Registrar and Paying Agent.

Upon any exchange or registration of transfer, the Department shall execute, and the Registrar and Paying Agent shall authenticate and deliver in exchange for such Bond, within a commercially reasonable time according to then-prevailing industry standards, a new Bond or Bonds, registered in the name of the transferee, of any authorized denomination or denominations, in aggregate principal amount equal to the principal amount of the Bond surrendered, of the same maturity and bearing interest at the same rate.

The Department or the Registrar and Paying Agent may make a charge for every such exchange or registration of transfer of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made to any Bondholder for the privilege of exchanging or registering the transfer of Bonds under the provisions of the Trust Agreement.

Book-Entry Only System

DTC will act as securities depository for the Series 2021A Bonds. The Series 2021A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Series 2021A Bonds in principal amount equal to the aggregate principal amount of the Series 2021A Bonds of such maturity, and will be deposited with DTC. Principal of and interest payments on the Series 2021A Bonds will be made to DTC or its nominee, Cede & Co. More details about DTC and the book-entry-only system can be found in Appendix E – "DTC AND BOOK-ENTRY ONLY SYSTEM."

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The principal of and interest on the Bonds are payable solely from the Trust Estate pledged and assigned to the Trustee pursuant to the Trust Agreement. The Bonds are limited obligations of the Department and do not constitute a debt or a pledge of the faith and credit of the State, the Department or the MAA, and neither the faith and credit nor the taxing power of the State nor the revenues (other than the Pledged Revenues) of the Department or the MAA are pledged to the payment of the principal of or the interest on the Bonds. Neither the Department nor the MAA has taxing power.

The Trust Estate consists of the (i) the Pledged Revenues described below, (ii) the amounts on deposit under the Trust Agreement, *provided* however that funds and accounts established for particular bonds shall not secure any other bonds and *provided* further that funds and accounts established for tax-exempt bonds shall not secure any Bonds that do not constitute tax-exempt bonds; and (iii) any other property rights and interests granted to the Trustee after the date of the Trust Agreement as and for additional security.

The Trust Agreement does not convey title to or mortgage any property of BWI Marshall Airport or Martin State Airport. The Department and the MAA have no obligation to rebuild any damaged or destroyed airport facilities regardless of the existence of insurance proceeds.

Pledged Revenues

Pursuant to the Trust Agreement, the Department has pledged and assigned to the Trustee all receipts, revenues, rentals, income, insurance proceeds and other money received by or on behalf of the MAA, including (without limitation) (i) revenues derived from the ownership, operation or leasing of any of the Facilities and the income therefrom received in a given Bond Year, excluding passenger facility charge collections and rental car customer facility charge collections, and (ii) earnings on the investment of amounts on deposit in the funds and accounts created under the Trust Agreement (the "Pledged Revenues").

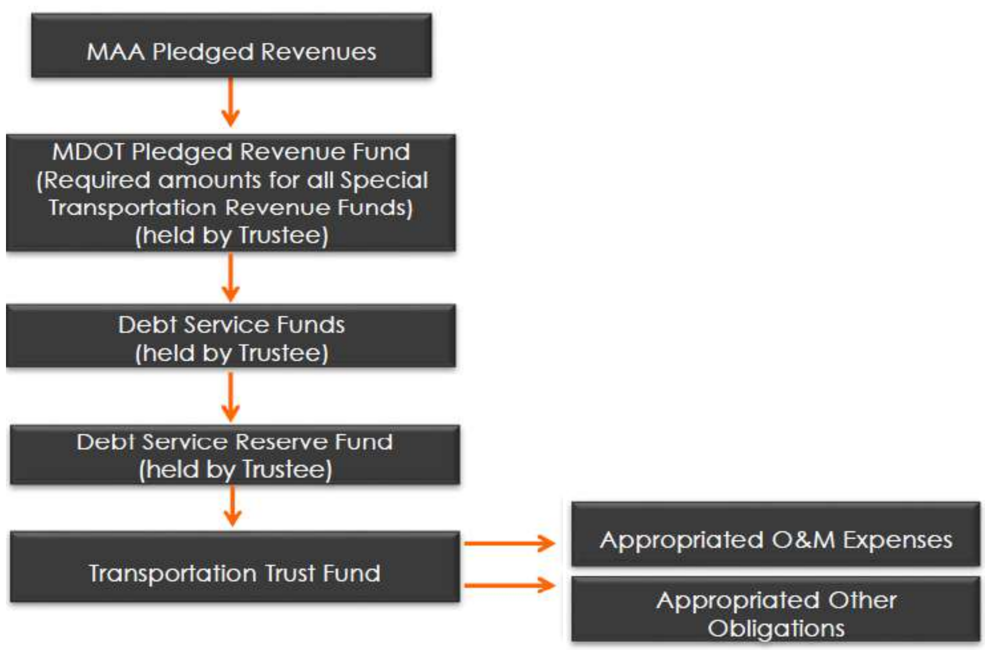
The revenue pledge under the Trust Agreement consitutes a *gross pledge* of the Pledged Revenues, and the Pledged Revenues shall be deposited as further described in "Deposit of Pledged Revenues" below.

Deposit of Pledged Revenues

The Department shall pay or cause to be paid to the Trustee the ***first*** Pledged Revenues received by or on behalf of the Department in each month until there shall have been deposited with the Trustee: (i) one-sixth (1/6) of the interest next becoming due on outstanding Bonds, (ii) one-twelfth (1/12) of the amount of any principal of or sinking fund installment for outstanding Bonds next becoming due and (iii) one-twelfth (1/12) of the amount of any deficiency in any debt service reserve fund securing any Bonds (each, a "Debt Service Reserve Fund"); or, as applicable, such lesser amount as shall be necessary to provide for such payment when due or to cure such deficiency in such Debt Service Reserve Fund. The Pledged Revenues received by the Trustee shall be deposited upon receipt in the Pledged Revenue Fund. Any excess Pledged Revenues in any month ***after the above described deposits*** have been provided for shall be paid by the Department to the Transportation Trust Fund maintained by the Department (the "Transportation Trust Fund"). The Transportation Trust Fund is not pledged to the payment of the Bonds.

All operating expenses of the MAA directly or indirectly attributable to the ownership or operation of BWI Marshall Airport and Martin State Airport (such expenses being more particularly defined as "Operating Expenses" in the Trust Agreement) and debt service obligations of the Department, including, without limitation, amounts payable on the Bonds which are not otherwise available to be paid from the Pledged Revenues, are to be paid from amounts on deposit in the Transportation Trust Fund, upon the appropriation of such funds for such purpose by the General Assembly. There are no operating or maintenance expense payments or operating expense or maintenance reserves being funded from Pledged Revenues or otherwise held by the Trustee. See "Transportation Trust Fund" below.

The chart below sets forth the flow of funds as specified in the Trust Agreement and with respect to the Transportation Trust Fund.



Transportation Trust Fund

The Transportation Trust Fund was established in 1971 by Chapter 526 of the Laws of Maryland of 1970. The Transportation Trust Fund is credited with taxes, fees, charges, federal grants for transportation purposes and other receipts (excluding passenger facilities charges and rental car customer facility charges) of the Department and the five modal transportation administrations (including MAA) encompassed by the Department (collectively, the "Administrations"), which are specifically identified hereinafter. See "THE DEPARTMENT." As described below, all activities of the Department are supported by the Transportation Trust Fund. The use of an integrated trust fund approach provides the Department with flexibility to meet varying transportation service and infrastructure needs.

Certain taxes and revenues of the Department are required by statute to be deposited in a sinking fund in the Transportation Trust Fund in such amounts as will be sufficient to pay debt service on certain bonds issued by the Department. Upon the deposit of such funds in such sinking funds, the Department is permitted to use the funds in the Transportation Trust Fund for any lawful purpose related to the exercise of its powers, duties and obligations, which include the payment of the operating and maintenance expenses of the Administrations (including MAA), debt service on indebtedness and other obligations of the Department, the Department's annual contributions to the Maryland State Retirement and Pension System for its employees and costs of capital projects not paid from other sources. All such expenditures of amounts on deposit in the Transportation Trust Fund are subject to the appropriation of funds for such purpose by the General Assembly. Unexpended funds remaining in the Transportation Trust Fund at the close of each fiscal year do not revert to the State's General Fund but remain in the Transportation Trust Fund.

The Department includes the operating and maintenance needs, including the capital programs, of BWI Marshall Airport and Martin State Airport, in its annual capital and operating budget that is submitted to the Governor of the State. The source of the appropriated funds is not restricted by the General Assembly to the funds that have been deposited by MAA into the Transportation Trust Fund.

In the event of any unexpected Operating Expenses or if the Pledged Revenues are insufficient to meet such debt service requirements, the Department may request a supplemental appropriation and such appropriation may include the expenditure of other funds in the Transportation Trust Fund that were not generated from the operation of BWI Marshall Airport or Martin State Airport.

The Transportation Trust Fund is not pledged to the payment of the Bonds to be issued under the Trust Agreement, including the Series 2021A Bonds.

For further information regarding the Department and the Transportation Trust Fund, including detailed discussion of the indebtedness and other obligations of the Department payable from the Transportation Trust Fund, see the Comprehensive Annual Financial Report of the Department, including audited Basic Financial Statements, for the fiscal year ended June 30, 2020, which is posted on the Department's website and can be accessed at https://mdot.maryland.gov/OOF/CAFRall1_27_21.pdf or obtained upon written request from the Secretary.

Debt Service Reserve Fund

The Trust Agreement establishes a Debt Service Reserve Fund to secure the Series 2021A Bonds (the "Debt Service Reserve Fund"). Upon the delivery of the Series 2021A Bonds, there will be deposited into the Debt Service Reserve Fund an amount equal to the initial Debt Service Reserve Fund Requirement with respect to such Debt Service Reserve Fund. The Department may provide for the delivery of a surety policy or credit or liquidity facility in substitution for amounts initially deposited in the Debt Service Reserve Fund.

The Trust Agreement establishes the Debt Service Reserve Fund Requirement for the Debt Service Reserve Fund as an amount equal to the least of (i) 10% of the proceeds of Bonds secured thereby, (ii) Maximum Annual Debt Service on all outstanding Bonds secured thereby, and (iii) 125% of the average annual debt service requirements of all Bonds secured thereby.

Under the Trust Agreement, the Debt Service Reserve Fund may secure Additional Bonds provided that upon the issuance of such Additional Bonds, there is deposited therein the amount required to make the amount on deposit therein equal to the Debt Service Reserve Fund Requirement, after giving effect to the issuance of such Additional Bonds; and provided further that the Debt Service Reserve Fund may not secure any Bonds that constitute Tax-Exempt Bonds.

If as a result of any withdrawal from the Debt Service Reserve Fund, the amount credited thereto is less than the Debt Service Reserve Fund Requirement, the Trustee is required under the Trust Agreement to transfer from the Pledged Revenue Fund in each month such amount as will cure the deficiency within 12 months.

For further information about the Debt Service Reserve Fund and related definitions, see Appendix A – "PROPOSED FORM OF TRUST AGREEMENT."

Rate Covenant

The Department has covenanted in the Trust Agreement that it shall cause the MAA to fix, charge and collect Operating Revenues in each Bond Year as will be sufficient to produce Net Pledged Revenues in such Bond Year in an amount not less than the sum of (i) 125% of the Debt Service Requirements of all outstanding Bonds for such Bond Year and (ii) 100% of the Debt Service Requirements of all outstanding Other Obligations for such Bond Year (the "Rate Covenant").

If Net Pledged Revenues are less than the amount specified above, the Department shall employ an Airport Consultant to prepare a report including recommendations with respect to the operation of the Facilities and the Operating Revenues and Operating Expenses. The report of such Airport Consultant is required to be filed with the Department, the MAA and the Trustee within 30 days after the date of the Airport Consultant's employment by the Department; provided that the Department may extend such time period to the extent reasonably necessary to enable the Airport Consultant to complete such report if the Airport Consultant has requested an extension and is proceeding diligently to complete such report.

The Department shall cause the MAA to revise or cause to be revised the Operating Revenues and Operating Expenses in conformity with any practicable recommendation of the Airport Consultant and shall otherwise follow any practicable recommendation of the Airport Consultant. If the MAA complies with the reasonable recommendations of such Airport

Consultant, then the failure of the Department to meet the Rate Covenant for such Bond Year shall not constitute an Event of Default under the Trust Agreement.

Under the Trust Agreement, "Net Pledged Revenues" means when used with respect to any Bond Year, the total amount of the Pledged Revenues for such Bond Year, less the amount of Operating Expenses.

For further information about the Rate Covenant and related definitions, see Appendix A – "PROPOSED FORM OF TRUST AGREEMENT."

Additional Bonds

Under the Trust Agreement, the Department may issue Additional Bonds on parity with the Series 2021A Bonds, to the extent provided therein, subject to the satisfaction of certain conditions. Among the conditions to the issuance of Additional Bonds under the Trust Agreement, is the requirement that the Department provide the Trustee with one of the applicable deliverables described below (collectively, the "Additional Bonds Test"):

(a) if Additional Bonds are to be issued for Completion Purposes or Extraordinary Maintenance Purposes, and unless the Department meets the requirements set forth in (c) below (i) a report of an Airport Consultant to the effect that the amount of the estimated Net Pledged Revenues for each of the three full Bond Years following the date on which the proceeds of such Additional Bonds are expected to have been fully applied is projected to be not less than the Debt Service Requirements of all outstanding Bonds and Other Obligations as of the last day of each such Bond Year and (ii) a Report of an Engineer to the effect that the proceeds of such Additional Bonds do not exceed the amount necessary to accomplish the intended Completion Purpose or Extraordinary Maintenance Purpose, respectively; or (iii) in the case of Additional Bonds issued for Completion Purposes, a Certificate of the Department to the effect that the aggregate principal amount of such Additional Bonds is not greater than 10% of the aggregate principal amount of the Bonds issued to finance the project to be completed with proceeds of such Additional Bonds;

(b) if Additional Bonds are to be issued for Refunding Purposes, and unless the Department meets the requirements set forth in (c) below, a certificate of the Department to the effect that the Maximum Annual Debt Service on outstanding Bonds, assuming such Additional Bonds are issued and the Bonds or Other Obligations to be refinanced or refunded is no longer outstanding, will not be increased as a result of the issuance of such Additional Bonds; or

(c) a certificate of the Department to the effect that (i) the amount of the Net Pledged Revenues received by the Department in the most recent Bond Year was not less than the sum of (1) 125% of the Maximum Annual Debt Service Requirements of outstanding Bonds taking into account the Additional Bonds to be issued and (2) 100% of the Debt Service Requirements of all outstanding Other Obligations for such Bond Year or (ii) based on a Report of an Airport Consultant, during each of the three Bond Years immediately succeeding the later of the date of delivery of such Additional Bonds and the date to which interest on such Additional Bonds has been funded, the estimated Net Pledged Revenues are projected to be not less than the sum of (1) 125% of the Debt Service Requirements of outstanding Bonds for such Bond Year, taking into account the Additional Bonds then to be issued and Bonds expected to be issued for the

Completion Purposes of projects financed with such Additional Bonds, and (2) 100% of the Debt Service Requirements of all other outstanding Other Obligations for such Bond Year.

For further information about the Additional Bonds Test and related definitions, see Appendix A – "PROPOSED FORM OF TRUST AGREEMENT."

Events of Default and Remedies; No Acceleration

The Bonds may *not* be accelerated upon the occurrence of an Event of Default under the Trust Agreement. The remedies for Events of Default are limited to such suits, actions or special proceedings, at law or in equity, for enforcement. As a result, the MAA may be able to continue indefinitely collecting revenues and applying them to the operation of BWI Marshall Airport and Martin State Airport even if an Event of Default has occurred and no payments are made on the Bonds. See Appendix A – "PROPOSED FORM OF TRUST AGREEMENT."

PLAN OF FINANCE

General

A portion of the proceeds of the Series 2021A Bonds will be used to advance refund all outstanding maturities of (i) the Airport Parking Revenue Refunding Bonds Series 2012A Baltimore Washington International Airport Projects (Governmental Purposes Bonds) and Airport Parking Revenue Refunding Bonds Series 2012B Baltimore Washington International Airport Projects (Qualified Airport Bonds – AMT) issued by the Maryland Transportation Authority (collectively, the "Parking Refunded Bonds") and (ii) the Lease Revenue Refunding Bonds (Maryland Aviation Administration Facilities) 2012 Series (Taxable) issued by the Maryland Economic Development Corporation ("MEDCO") (the "MEDCO Refunded Bonds", and collectively with the Parking Refunded Bonds, the "Refunded Bonds").

Refunding Plan

The proceeds of the Series 2021A Bonds will be used to advance refund the Refunded Bonds as described herein.

Certain proceeds of the Series 2021A Bonds will be applied to the purchase of non-callable direct obligations of or obligations the principal of and interest on which are guaranteed by the United States of America or United States government securities or ownership interests therein (the "Parking Refunded Bonds Escrowed Securities") and which will be held by Zions Bancorporation, National Association (the "Parking Refunded Bonds Escrow Agent") in a trust fund for the Parking Refunded Bonds (the "Parking Refunded Bonds Escrow Deposit Fund") pursuant to an Escrow Deposit Agreement between the Department and the Parking Refunded Bonds Escrow Deposit Agent. Such Parking Refunded Bonds Escrowed Securities will be payable as to principal and interest at such times and in such amounts as will be sufficient, together with any initial cash deposit, to pay the interest due on the Parking Refunded Bonds on the due dates for the payment thereof and to pay the redemption price of the Parking Refunded Bonds on the redemption date for such Parking Refunded Bonds. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS." Amounts on deposit in the Parking Refunded Bonds

Escrow Deposit Fund will be pledged only to the payment of the principal of and interest on the Parking Refunded Bonds and are not available for the payment of principal, redemption premium, if any, or interest on the Series 2021A Bonds or the MEDCO Refunded Bonds.

Certain proceeds of the Series 2021A Bonds will be applied to the purchase of non-callable direct obligations of or obligations the principal of and interest on which are guaranteed by the United States of America or United States government securities or ownership interests therein (the "MEDCO Refunded Bonds Escrowed Securities") and which will be held by Zions Bancorporation, National Association (the "MEDCO Refunded Bonds Escrow Agent") in a trust fund for the MEDCO Refunded Bonds (the "MEDCO Refunded Bonds Escrow Deposit Fund") pursuant to an Escrow Deposit Agreement between the Department and the MEDCO Refunded Bonds Escrow Deposit Agent. Such MEDCO Refunded Bonds Escrowed Securities will be payable as to principal and interest at such times and in such amounts as will be sufficient, together with any initial cash deposit, to pay the interest due on the MEDCO Refunded Bonds on the due dates for the payment thereof and to pay the redemption price of the MEDCO Refunded Bonds on the redemption date for such MEDCO Refunded Bonds. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS." Amounts on deposit in the MEDCO Refunded Bonds Escrow Deposit Fund will be pledged only to the payment of the principal of and interest on the MEDCO Refunded Bonds and are not available for the payment of principal, redemption premium, if any, or interest on the Series 2021A Bonds or the Parking Refunded Bonds.

Planned Issuance of Additional Bonds

The ROAC assumes that the Department will issue, and the Department expects to issue, in 2021 and 2022, approximately $431.3 million of Additional Bonds to fund the 2021 Project. See "REPORT OF THE AIRPORT CONSULTANT" herein and "REPORT OF THE AIRPORT CONSULTANT" in Appendix D. See also "BALTIMORE/WASHINGTON INTERNATIONAL THURGOOD MARSHALL AIRPORT – Planned Capital Improvements at BWI Marshall Airport – 2021 Project" herein.

THE DEPARTMENT

The Department was established as a principal department of the State government in 1971. The head of the Department is the Secretary who is appointed by the Governor with the advice and consent of the Senate of Maryland. The Department has the responsibility for most State-owned transportation facilities and programs. This responsibility includes the planning, financing, construction, operation and maintenance of various modes of transportation and carrying out various related licensing and administrative functions. The statutorily created transportation agencies, which are encompassed by the Department, are the MAA, the Maryland Port Administration, the Motor Vehicle Administration, the Maryland Transit Administration, (the "MTA") and the State Highway Administration, and these five agencies constitute the Administrations as defined under "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Transportation Trust Fund" above.

The Secretary is empowered, on behalf of the Department, to exercise or perform any power or duty, which any of these Administrations may exercise or perform. These powers and duties involve, among others, the operation by the MAA of BWI Marshall Airport and Martin

State Airport, including the power to fix landing fees and to rent space to airlines and concessionaires; the operation of various State-owned buildings and marine terminals in the Port of Baltimore, including the power to fix and collect rental and other fees for the use of these facilities; the construction and maintenance of the State highway system; the operation of all transit facilities in the Baltimore metropolitan transit district, including the operation of the bus and rail systems in this district, and the power to fix and collect the fares for these systems; the licensing and registration of all motor vehicles and motor vehicle operators in the State; and the power to acquire any property by purchase or condemnation that is necessary to exercise or perform these powers and duties.

MARYLAND AVIATION ADMINISTRATION

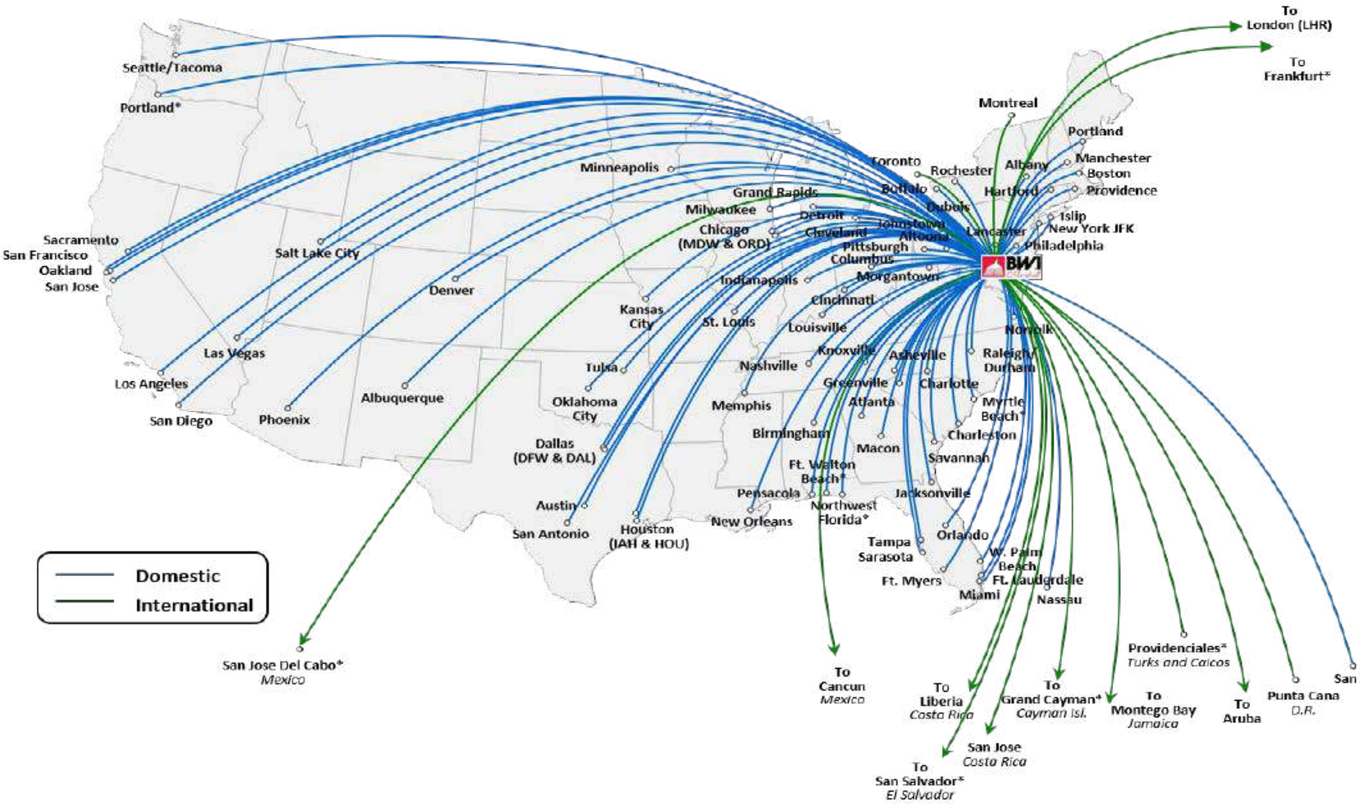
The General Assembly established the MAA on July 1, 1971. The MAA, as provided by Title 5 of the Transportation Article of the Annotated Code of Maryland, as amended, is responsible for fostering and developing aviation activity and facilities throughout the State and operating State-owned airports. By legislative action in the 1972 Session of the General Assembly, ownership of BWI Marshall Airport was acquired by the State from the City of Baltimore on July 26, 1972 and responsibility for its operation, maintenance, protection and development was assigned to the MAA. Martin State Airport was purchased by the State on July 1, 1975. The MAA operates Martin State Airport as a joint facility, serving the needs of private and corporate aircraft owners, two squadrons of the Maryland Air National Guard, the Maryland State Police, Baltimore County Aviation and Marine Police and the Baltimore City Police. Martin State Airport also serves as a federally designated reliever airport for noncommercial air carrier traffic at BWI Marshall Airport.

BALTIMORE/WASHINGTON INTERNATIONAL THURGOOD MARSHALL AIRPORT

General

BWI Marshall Airport is one of the three major airports serving the Baltimore-Washington metropolitan area, which is the fourth largest population and travel market in the United States. BWI Marshall Airport is a major commercial air carrier airport, ranking 22nd in the United States based on the number of enplaned passengers for calendar year 2019. As of February 2020, more than 25 scheduled airlines, including commuter and cargo air carriers, served BWI Marshall Airport and provided an average of 341 domestic and international departing flights daily serving 93 airports nonstop. During fiscal year 2019, 13.4 million passengers enplaned at BWI Marshall Airport. As of December 2020, BWI Marshall Airport was served by nine major/national passenger airlines, as well as five regional/commuter airlines, and six all-cargo carriers. As of December 2020, BWI Marshall Airport served 66 non-stop destinations, with 183 daily non-stop departures and 27,319 daily non-stop seat departures. During fiscal year 2020, 10.0 million passengers enplaned at BWI Marshall Airport, the decrease between fiscal year 2019 and fiscal year 2020 reflecting the impact of the COVID-19 pandemic. For further discussion of the impact of COVID-19 on BWI Marshall Airport, see "IMPACT OF COVID-19 ON THE AIRPORTS" herein.

The map below represents BWI Marshall Airport's domestic and international scheduled non-stop destinations in February 2020, prior to the impact of the COVID-19 pandemic.



Source: Cirium Schedules data through Diio Mi for July 2020 as of February 2020, and markets expected to be reinstated.
*Seasonal.

Existing BWI Marshall Airport Facilities

The major airfield facilities at BWI Marshall Airport consist of three runways: east-west Runway 10/28 is 10,503 feet long and 150 feet wide; northwest-southeast Runway 15R/33L is 9,501 feet long and 150 feet wide; and northwest-southeast commuter Runway 15L/33R is 5,000 feet long and 100 feet wide. Runways 10/28, 15R/33L, and 15L/33R approaches are all equipped with precision Instrument Landing Systems. Runway 10 is equipped with Category II/III landing aids, Runway 15R/33L is Special Authorization Category II capable and Runway 15L/33R is Category I equipped. Associated taxiways provide efficient access from the runways to the passenger terminal, general aviation, and air cargo aprons.

The passenger terminal, consisting of approximately 2.4 million square feet, comprises five concourses and 72 gates with Passenger Boarding Bridges ("PBB"), 68 full-service and four arrival-only, and two commuter service (non-PBB) gates. The terminal contains facilities for a number of activities, including baggage claim, international federal inspection services, passenger security screening, ground transportation, airline ticket counters, airline operations, food and beverage services, news and gift shops, retail, restrooms, telephones, charging stations and public circulation areas.

The air cargo facilities at BWI Marshall Airport are comprised of five buildings located adjacent to Aviation Boulevard (MD Route 170), three buildings located on Terminal Road, one building located on Elm Road and two buildings located on Mathison Way. The eleven buildings combined contain approximately 675,000 square feet of cargo building space.

General aviation facilities are located on the northeast side of BWI Marshall Airport. These general aviation facilities include several hangar buildings and the fixed base operator facilities, along with a 22-acre aircraft and parking ramp.

The parking facilities owned and operated at BWI Marshall Airport by the MAA include a six-story parking garage in the mall area located adjacent to the main terminal at BWI Marshall Airport, a nine-story parking garage also located in the mall area, three primary surface lots and several additional surface lots that are open only on holidays and other peak travel periods. The aggregate number of parking spaces comprising such facilities totals 24,800. As a result of the COVID-19 pandemic's impact on travel activity at BWI Marshall Airport, the three primary surface lots have been temporarily closed. See "IMPACT OF COVID-19 ON THE AIRPORTS" herein.

BWI Marshall Airport is served by a consolidated rental car facility (the "Consolidated Rental Car Facility"), which was placed in service in 2003 and is currently managed and operated by ten on-airport rental car company brands. The Consolidated Rental Car Facility co-locates all rental car operations into a single location that includes vehicle maintenance and storage and customer service facilities for rental car operators. The Consolidated Rental Car Facility accommodates over 8,300 vehicles and is accessible by shuttle bus service.

Amtrak's BWI Marshall Airport Rail Station is located on the intercity high-speed rail line that extends from Washington, D.C. to New York City, and on to Boston. The BWI Marshall Airport Rail Station also accommodates the local MTA Maryland Area Regional Commuter ("MARC") train service between the Baltimore metropolitan area and Washington, D.C. The

MAA operates shuttle services to and from the BWI Marshall Airport passenger terminal and the BWI Marshall Airport Rail Station.

BWI Marshall Airport is directly linked to downtown Baltimore and other Baltimore regional destinations by the MTA Light RailLink service that operates directly into the terminal. MTA operates local bus service to BWI Marshall Airport from several destinations, and also operates express bus service linking BWI Marshall Airport to Montgomery County via the Intercounty Connector.

Motor vehicle access to BWI Marshall Airport is provided by, among other roads, Interstate 95, from which access is provided to the airport site from the north via Interstate 195.

Recent Market Trends

The large market and population area served by BWI Marshall Airport, combined with a convenient terminal layout, an uncongested airfield system, and close proximity to many East Coast destinations led Southwest to pick BWI Marshall Airport as its first East Coast airport in September 1993. Southwest's decision to bring its high-frequency low cost service to BWI Marshall Airport has had a substantial, positive impact on BWI Marshall Airport's local origin and destination traffic base. From a modest beginning in 1993 with eight flights to two cities, by November 2019 Southwest had increased operations to a holiday peak of 225 daily flights to 62 destinations. Due in large part to the COVID-19 pandemic and availability of airplanes, passenger enplanements for Southwest at BWI Marshall in fiscal year 2020 declined to 6.6 million from 8.7 million in fiscal year 2019. Southwest has been joined at BWI Marshall by other low-cost carriers including JetBlue, Spirit, Allegiant Air ("Allegiant"), Frontier Airlines ("Frontier"), and Sun Country Airlines ("Sun Country").

In addition to the low-cost carriers, BWI Marshall is served by legacy mainline carriers Alaska, American, Delta and United. These carriers and their affiliated regional partners enplaned nearly 2.0 million passengers at BWI Marshall in fiscal year 2020, and provided nonstop service to 22 destinations.

Several carriers offered international service from BWI Marshall Airport before the COVID-19 pandemic, but these international flights were all suspended with border closures. Air Canada had nonstop service from BWI Marshall to Toronto and Montreal, with connections to points throughout Canada and the world. British Airways provided BWI Marshall Airport with daily nonstop service to London's Heathrow Airport. Condor provided summer seasonal nonstop service to Frankfurt, Germany. Southwest offered international service to Aruba; Nassau in the Bahamas; the Cayman Islands; Liberia and San Jose in Costa Rica; Punta Cana in the Dominican Republic; Montego Bay in Jamaica; Cancun and Los Cabos in Mexico; and the Turks and Caicos. Spirit offered international service to Cancun and Montego Bay, and it had announced new service to San Salvador. As of January 2021, international services have restarted at BWI Marshall, with Southwest serving Aruba, Cancun, Montego Bay and Punta Cana and Spirit serving Cancun. Looking forward into 2021, Air Canada, British Airways, and Condor are all selling tickets for their previous international services from BWI Marshall Airport. Additionally, Spirit is currently selling tickets to Montego Bay and San Salvador for flights beginning in March 2021, and Southwest is currently selling tickets to Los Cabos for flights beginning in March 2021. The closest alternative international facilities are Dulles International Airport and Philadelphia International Airport.

Historical patterns of passenger and cargo traffic at BWI Marshall Airport were drastically disrupted by the coronavirus pandemic beginning in early 2020. The COVID-19 pandemic has had an adverse impact on international service, more so than domestic service, at BWI Marshall and throughout the United States, see "IMPACT OF COVID-19 ON THE AIRPORTS" herein.

Airlines Serving BWI Marshall Airport

The airlines serving BWI Marshall Airport as of June 2020 are delineated in the chart below.

PASSENGER AIRLINES SERVING BWI MARSHALL AIRPORT
January - June 2020 [1]

Mainline Airlines [2]	*Essential Air Service* ("EAS")
Alaska Airlines American Airlines Delta Air Lines United Airlines	Southern Airways Express Boutique Air Contour Airlines
Low-Cost Carriers	*Foreign Flag Carriers*
Allegiant Air Frontier Airlines JetBlue Airways Southwest Airlines Spirit Airlines Sun Country Airlines	Air Canada [2] British Airways

Source: Cirium Schedules database, accessed online October 2020 via Diio Mi.

Notes:
[1] Other passenger services from charter airlines include but are not limited to OMNI Air and Swift Air.
[2] Regional Affiliates may include but are not limited to Endeavor Air, Envoy Air, GoJet Airlines, Jazz Aviation, Mesa Airlines, Piedmont Airlines, PSA Airlines, Republic Airlines, Sky Regional Airlines and Sky West Airlines.

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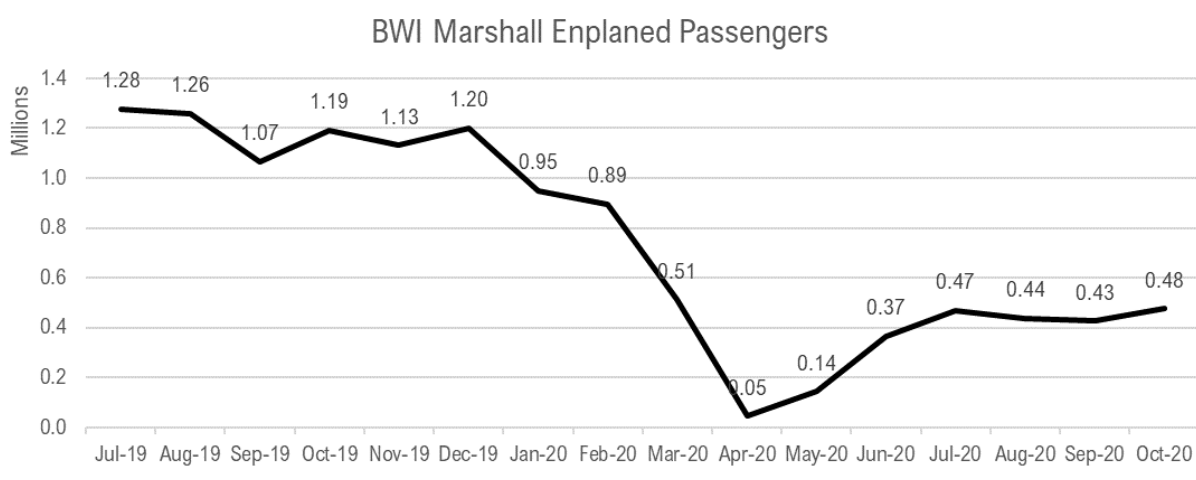
Aviation Activity

BWI Marshall Airport primarily serves origination and destination (O&D) passenger traffic. Over the past decade, O&D passengers have accounted for approximately 70% to 80% of all passengers enplaned at BWI Marshall Airport, with the remaining 20% to 30% connecting between flights.

Passenger enplanements. The table on the following page sets forth historical enplanement information for BWI Marshall Airport since fiscal year 2009.

Between fiscal year 2009 and fiscal year 2011, the number of enplaned passengers increased at an average rate of 5.8% per year compared to a nationwide average of 1.5% annually. Enplanements were essentially flat to slightly down during fiscal year 2012, 2013 and 2014 due to a combination of factors including the integration of AirTran Airways into Southwest, the government shutdown, sequestration and a slower economy. Recovery began in fiscal year 2015 with a 2.5% increase from fiscal year 2014. Enplanements increased in each of fiscal years 2016-2018 (8.1% in fiscal year 2016, 4.4% in fiscal year 2017 and 5.1% in fiscal year 2018). Enplanements for fiscal year 2019 were 13.4 million, with a slight decline (0.9%) due to the grounding of the Boeing 737 MAX in March 2019, in addition to the loss of Icelandair and WOW Air in January 2019 and March 2019, respectively. Enplanements for fiscal year 2020 declined (25.2%) to 10.0 million, with the COVID-19 pandemic severely curtailing traffic from March 2020 to October 2020. Prior to the pandemic, BWI Marshall set a new 12-month traffic record with 13.7 million enplanements for the year ended February 2020. The graph below presents the monthly enplaned passengers at BWI Marshall Airport from July 2019 through October 2020. For further discussion of the impact of COVID-19 on BWI Marshall Airport, see "IMPACT OF COVID-19 ON THE AIRPORTS" herein.



Source: Maryland Aviation Administration records.

HISTORICAL ENPLANED PASSENGERS
Baltimore/Washington International Thurgood Marshall Airport

Fiscal Year	Enplaned passengers	Percent change
2009	10,066,162	(5.6)
2010	10,685,247	6.2
2011	11,267,225	5.4
2012	11,340,264	0.6
2013	11,288,150	(0.5)
2014	11,139,583	(1.3)
2015	11,412,595	2.5
2016	12,331,941	8.1
2017	12,875,954	4.4
2018	13,534,033	5.1
2019	13,415,606	(0.9)
2020	10,034,304	(25.2)

Source: Maryland Aviation Administration records.

Enplanements by Airline. The following table sets forth enplanement information for the airlines operating at BWI Marshall Airport for fiscal year 2016 through fiscal year 2020. Southwest enplaned approximately 6.6 million domestic and international passengers in fiscal year 2020 (66.1% share) compared with 8.8 million passengers in fiscal year 2019 (65.4% share).

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AIRLINE MARKET SHARES OF ENPLANED PASSENGERS
Baltimore/Washington International Thurgood Marshall Airport
(Ranked by Fiscal Year 2020)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Domestic			*Enplaned Passengers*		
Southwest *(a)*	8,278,543	8,632,719	8,850,763	8,465,545	6,422,702
Spirit	587,150	823,536	1,104,570	1,315,662	1,075637
Delta	1,047,350	1,028,406	1,048,574	1,073,870	756,811
American *(b)*	1,007,490	880,180	875,283	875,110	659,129
United	510,232	482,260	529,636	528,864	358,470
JetBlue	213,927	271,098	258,668	184,735	85,324
Alaska	100,955	128,266	191,805	206,629	138,640
Allegiant	12,205	46,966	50,044	57,125	44,777
Frontier	-	-	-	-	49,786
Other *(c)*	--	4,228	20,865	43,649	20,000
Subtotal	**11,757,852**	**12,297,659**	**12,930,208**	**12,751,189**	**9,611,276**
International					
Southwest *(a)*	338,253	304,247	299,322	314,105	208,527
WOW**	49,547	74,223	77,300	56,865	0
British Airways	57,189	62,308	62,733	65,265	46,801
Air Canada	42,261	48,693	54,822	68,523	52,451
Spirit	--	--	35,834	81,189	59,479
Other *(d)*	23,904	33,959	25,742	32,419	15,188
Subtotal	**511,154**	**523,430**	**555,753**	**618,366**	**382,466**
Charter	62,935	54,865	48,072	46,051	40,582
Total	**12,331,941**	**12,875,954**	**13,534,033**	**13,415,606**	**10,034,304**

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Domestic					
Southwest *(a)*	67.1%	67.0%	65.4%	63.1%	64.0%
Spirt	4.8	6.4	8.2	9.8	10.7
Delta	8.5	8.0	7.7	8.0	7.5
American *(b)*	8.2	6.8	6.5	6.5	6.6
United	4.1	3.7	3.9	3.9	3.6
JetBlue	1.7	2.1	1.9	1.4	0.9
Alaska	0.8	1.0	1.4	1.5	1.4
Allegiant	0.1	0.4	0.4	0.4	0.4
Frontier	-	-	-	-	0.5
Other *(c)*	0.0	0.0	0.2	0.3	0.2
Subtotal	**95.3%**	**95.5%**	**95.5%**	**95.1%**	**95.8%**
International					
Southwest *(a)*	2.7%	2.4%	2.2%	2.3%	2.1%
WOW**	0.4	0.6	0.6	0.4	0
British Airways	0.5	0.5	0.5	0.5	0.5
Air Canada	0.3	0.4	0.4	0.6	0.5
Other *(d)*	0.2	0.3	0.2	0.2	0.6
Subtotal	**4.1%**	**4.1%**	**4.1%**	**4.6%**	**3.8%**
Charter	0.5%	0.4%	0.4%	0.3%	0.4%
Total*	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Note: For fiscal years ended June 30.
Data include regional affiliates.

(a) Includes AirTran Airways.
(b) Includes US Airways in FY 2016.
(c) Includes Boutique Air, Cape Air, Contour Airlines, Southern Airways Express, Sun Country and Via Air.
(d) Includes Condor Airlines, Air Jamaica, Alaska, Bahamasair, Frontier, Icelandair, Norwegian and Sunwing.
* Total may not add up to 100% due to rounding.
** WOW ceased all operations effective March 28, 2019.
Source: Baltimore/Washington International Thurgood Marshall Airport records.

Southwest at BWI Marshall Airport

BWI Marshall Airport is the third busiest airport in Southwest's system. Internally, Southwest refers to BWI Marshall as one of several "mega-hubs" in its airport network. Local Southwest staff have dubbed BWI Marshall "The Beast of the East." Southwest currently leases 32 gates at BWI Marshall. With the completion of the project to extend Concourse A, an additional 5 gates will be leased to Southwest in Spring 2021 for a total of 37 gates available to the carrier. At pre-COVID-19 peak operations, Southwest was averaging approximately 6.5 to 7.5 daily departures per leased gate for a total of approximately 210-240 daily departures.

Planned Capital Improvements at BWI Marshall Airport

Capital Improvement Program. The current fiscal year 2021 to fiscal year 2026 capital improvement program for BWI Marshall Airport includes primary construction projects, including the 2021 Project (as defined below), with total capital improvements costs of $843 million. Funding for such current capital improvement program is planned to be provided from funds on deposit in the Transportation Trust Fund, the proceeds of Additional Bonds, federal grants, passenger facility charge collections and rental car customer facility charge collections. Major BWI Marshall Airport capital improvement projects during the next six years, include various system preservation projects ($162 million), Residential Sound Insulation Program ($34 million), BWI Marshall shuttle bus fleet replacement ($13 million), Midfield Cargo area improvements ($2 million), Concourse A improvements phase 2 ($17 million), Concourse D HVAC replacement ($21 million), FIS Hall reconfiguration ($10 million), BWI Marshall restroom improvement program ($61 million), aircraft maintenance facility infrastructure ($63 million), airfield lighting vault relocation ($9 million), Taxiway T reconstruction ($12 million), Taxiway F relocation ($6 million), and Concourse A/B Baggage Handling System and Connector, which are part of the 2021 Project ($430 million).

2021 Project. The six-year capital improvement program for BWI Marshall Airport includes approximately $430 million of the costs of the construction of an expansion of the passenger terminal to accommodate a passenger connector between Concourses A and B, an expanded and improved baggage handling system, and other terminal development (collectively, the "2021 Project"). The 2021 Project was a pre-approved capital improvement program agreed to in the Airline Agreement. The Department anticipates that it will issue Additional Bonds in the approximate aggregate principal amount of $431.3 million in 2021 and 2022 to fund certain costs of the 2021 Project. No proceeds of the Series 2021A Bonds shall be used to fund any portion of the costs of the 2021 Project.

MAA Financial Information

Historical Operating Revenue and Expenditures. The following table shows the operating revenues, operating expenditures, CARES operating expenditures and operating surplus of the MAA for fiscal year 2016 through fiscal year 2020.

Historical Operating Revenue and Expenses For Fiscal Years Ended June 30 (Amounts in millions of dollars)					
	FY 2016	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**
Operating Revenues (1)	$233.4	$243.2	$257.2	$257.9	$233.1
Operating Expenses (2)	$192.0	$187.3	$195.6	$205.1	$119.9
CARES Operating Expenditures*	-	-	-	-	$77.5
Operating Surplus	$41.4	$55.9	$61.6	$52.9	$35.7

Source: Maryland Aviation Administration records.

(1) Operating revenues include parking revenues net of debt service on Maryland Transportation Authority parking bonds.

(2) Operating expenses include debt service on MEDCO Refunded Bonds and Department Certificates of Participation.

* Includes an additional $2.4 million in CARES funding that was received through the State's COVID-19 relief fund.

Historical Airline Revenue and Non-Airline Revenue. The following table sets forth the total airline revenues, total non-airline revenues of the MAA for fiscal year 2016 through fiscal year 2020.

Historical Airline Revenue and Non-Airline Revenue For Fiscal Years Ended June 30 (Amounts in millions of dollars, except as noted)					
	FY 2016	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**
Airline Flight Activities	$62.7	$66.1	$71.7	$68.2	$63.8
Airline Other Revenues	$64.7	$66.0	$63.2	$63.9	$69.5
Airline Revenues	$127.4	$132.0	$134.9	$132.0	$133.3
Non-Airline Revenues	106.0	$111.2	$122.3	$125.9	$99.7
Total Revenues	$233.4	$243.2	$257.2	$257.9	$233.1
Airline Revenue Percentage of Total	55%	54%	52%	51%	57%
Non-Airline Revenue Percentage of Total	45%	46%	48%	49%	43%

Source: Maryland Aviation Administration records.

Historical Cost Per Enplaned Passenger. The following table shows the airline cost per enplaned passenger for the airlines operating at BWI Marshall Airport for fiscal year 2016 through fiscal year 2020. The cost per enplaned passenger increased for the airlines operating at BWI Marshall Airport in fiscal year 2020 due to the impact of the COVID-19 pandemic.

Historical Cost Per Enplaned Passenger For Fiscal Years Ended June 30					
	FY 2016	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**
Cost Per Enplaned Passenger	$9.51	$9.34	$9.33	$9.33	$12.55

Source: Maryland Aviation Administration records.

BWI Marshall Airport Insurance

The MAA maintains a comprehensive program of insurance covering the operations of BWI Marshall Airport. Currently, a commercial Airport Owners and Operators Liability policy is purchased by the State Treasurer's Office, Insurance Division through Willis of Maryland. The primary liability policy ($250,000,000 limit) is provided by Starr Indemnity & Liability Company, with an additional layer of excess liability ($500,000,000 limit) provided by underwriters at Lloyds of London (various companies). The following liability coverages and annual limits are provided with no deductible:

Limit	Coverage
$750,000,000	Bodily injury, personal/advertising injury, and property damage liability combined, each occurrence/offense, and in the aggregate where applicable, included within which are the following sub-limits:
750,000,000	Products-Completed Operations Annual Aggregate Limit
50,000,000	Personal Injury & Advertising Injury Annual Aggregate Limit
750,000,000	Hangarkeepers Limit any One Occurrence Historical
750,000,000	Hangarkeepers Limit any One Aircraft
750,000,000	Non-Owned Aircraft Liability Limit any One Occurrence
350,000,000	Extended coverage War, Hijacking and Other Perils Aggregate Limit

Property damage for MAA-owned buildings, contents, and electronic data processing equipment is self-insured by the State Insurance Trust Fund, which is managed by the State Treasurer's Office, Insurance Division. The State Insurance Trust Fund covers property losses up to a limit of $2,500,000 per occurrence, with a $1,000 deductible. Damage beyond this coverage is provided by a commercial blanket excess property insurance policy with a limit of $500,000,000 per occurrence in excess of the $2,500,000 self-insured retention. The policy is purchased by the State Treasurer's Office, Insurance Division through Willis of Maryland using various insurance carriers and various layers of coverage.

IMPACT OF COVID-19 ON THE AIRPORTS

General

The World Health Organization (the "WHO") declared COVID-19 a global pandemic on March 11, 2020. In an attempt to slow the spread of COVID-19, many state and local governments in the United States imposed restrictions on travel, social gatherings and business activities. The United States Department of State and the Centers for Disease Control and Prevention, as well as other state and local governmental authorities, foreign nations and the airlines, have issued travel restrictions and warnings for countries around the world.

The COVID-19 pandemic and the responsive measures taken in connection therewith have depressed and continue to depress demand for domestic and international air travel. Airports like BWI Marshall have been forced to take steps to address the revenue lost as a result. See "Impact on Travel and Revenues – MAA Relief Efforts" below. International and domestic travel volume, which was trending toward all-time record highs through February 2020, decreased more than 95% in April 2020. As of November 2020, daily passenger volumes at BWI Marshall were approximately 30-40% of the prior year's level. Nevertheless, passenger enplanements at BWI Marshall Airport have recovered more quickly than at many other large hub airports as, according to the United States Department of Transportation T-100 data (retrieved from Diio Mi by Cirium), as of June 2020, BWI Marshall was the 11th busiest airport in the United States (improving 11 spots from its ranking prior to the pandemic).

Due to the continually evolving nature of the COVID-19 pandemic, the full impact of the COVID-19 pandemic on BWI Marshall Airport, Martin State Airport, and the MAA cannot be fully quantified at this time. Prospective investors should be aware that the restrictions and limitations related to COVID-19, and the current upheaval to the air travel industry and the national and global economies may continue or increase for an indeterminate period of time and, therefore, have an adverse impact on the operations and revenues of BWI Marshall Airport and Martin State Airport. See "INVESTMENT CONSIDERATIONS – COVID-19" herein.

State and Local Response

In response to the ongoing COVID-19 pandemic, the Governor of the State of Maryland (the "Governor") proclaimed a state of emergency and catastrophic health emergency within the State on March 5, 2020, which has been renewed several times, most recently on January 21, 2021. Since the initial proclamation, the Governor has issued a series of executive orders, among other things, prohibiting large gatherings and events, requiring closure of nonessential and certain other businesses and authorizing emergency healthcare delivery. On March 30, 2020, the Governor issued an executive order requiring Maryland residents to stay at home except for essential activities (the "Stay-At-Home Order"). On May 13, 2020, the Governor of Maryland issued an executive order lifting the Stay-At-Home Order and allowing certain retail businesses to reopen at limited capacity and has subsequently issued a series of additional executive orders relating to the gradual reopening of certain businesses and facilities. The State is in the third phase of its reopening, which allows for a broader opening of commerce/retail, services and public life under strict social distancing measures, hygiene and occupancy controls.

During the Stay-At-Home-Order, BWI Marshall and Martin State Airport continued to operate as an essential service and only essential employees were called in to maintain operations. Non-essential airport employees continue to work from home. The MAA was quick to develop and implement a comprehensive pandemic response plan to address the disruptive impact of COVID-19. See “MAA Response to Pandemic” below.

Summary of Initial Impact of Pandemic on BWI Marshall Airport

The outbreak of COVID-19 and resultant restrictions have had an adverse effect on airlines serving BWI Marshall Airport, BWI Marshall Airport concessionaires and airport revenues as more fully discussed herein. Historical patterns of passenger and cargo traffic at BWI Marshall Airport have been drastically disrupted by the emergence of the COVID-19 pandemic in early 2020 and BWI Marshall Airport has witnessed a sharp contraction in passenger activity since March 2020. This has resulted in reduced concessions, parking and rental car activity at BWI Airport.

The following table presents the percentage variances for selected operating and financial data of BWI Marshall Airport for the first eight months of fiscal year 2020 (July 2019 to February 2020) and for the months of March 2020, April 2020, May 2020, and June 2020, on a monthly basis, compared with the same periods in the prior year. April 2020 was the low point for passengers and May 2020 was the low point in aircraft operations. The percent decrease in gross sales generally reflects the reduced passenger activity at BWI Marshall Airport.

Percent Change Compared to Same Period in the Prior Year

	July 2019-February 2020	July 2019 – June 2020	March 2020	April 2020	May 2020	June 2020
Total Passengers	2.8%	-25.0%	-52.6%	-96.0%	-88.4%	-70.5%
Total Operations	2.3	-14.1	-14.7	-61.4	-66.1	-43.6
Activity Based Gross Sales:						
Parking	2.4	-27.0	-50.0	-96.9	-93.3	-84.9
Food/Beverage/Retail	6.0	-24.2	-52.6	-94.8	-90.6	-77.7
Rental Car	4.2	-22.9	-42.4	-89.2	-86.0	-74.4

Source: Maryland Aviation Administration records.

“Table 19” in “APPENDIX D – REPORT OF THE AIRPORT CONSULTANT” presents data on airline service, enplaned passengers, security screenings of passengers by the Transportation Security Administration (“TSA”), and air cargo tonnage at BWI Marshall Airport by month since January 2020 relative to the same month of 2019.

Impact on Scheduled Flights

Schedule information under this subheading is provided by Diio Mi by Cirium, which provides a database of published airline flight schedules, as regularly updated by the airlines. The database does not take into consideration flight cancellations made at the airlines’ discretion. It also does not provide a reliable indication of passenger traffic because load factors for operated flights may have been lower than in periods prior to the pandemic. The MAA cannot confirm that the data is correct and does not make any representation as to the accuracy or adequacy of the information provided under this subheading.

Based on data from Diio Mi by Cirium, for the second quarter of 2019 (April-June), BWI Marshall Airport's scheduled flights included 28,578 domestic and 1,337 international flights. Comparatively, for the second quarter of 2020 (April-June), BWI Marshall's scheduled service included 14,874 domestic and 117 international flights, representing a reduction of 48.0% and 91.2% respectively.

BWI Marshall Airport experienced the deepest scheduled flight reductions due to COVID-19 in May 2020. BWI Marshall Airport had 3,610 domestic flights and no international flights, a year-over-year reduction of 62.8% and 100.0%, respectively. In the most recent schedules data available (as of January 15, 2021), BWI Marshall Airport has 4,623 domestic flights scheduled in February 2021, a 28% increase over May 2020, but still down 2,742 flights and 37% from February 2019. Similarly, international schedules for February 2021 include 169 flights, a total increase of over the zero flights in May 2020, but down 233 flights and 58% from February 2019.

Summary of Relief Provided by MAA

Like many other airport operators, the MAA has adopted a number of measures to provide relief to airlines and other business operating at BWI Marshall Airport due to the severe financial impact of the pandemic. The following is a brief summary of these measures.

Beginning April 1, 2020, the MAA deferred passenger terminal rents, bag claim, boarding device and federal inspection services fees payable by the airlines operating at BWI Marshall Airport through June 30, 2020. MAA began collecting the deferred payments in 12 equal installments on July 1, 2020. Through January 1, 2021, all payments of deferred rents and fees are current. In addition, the MAA froze all rates and fees payable by the airlines, which include airline landing fees, and parking fees for both passenger and cargo carriers, through December 31, 2020. The rates, charges and fees reset on January 1, 2021, with terminal rental rates increasing 3% above the frozen levels and landing fees increasing 7% above the frozen levels. The MAA has further directed that the fiscal year 2020 Airline Agreement surplus, which resulted from the fiscal year 2020 CARES Act funds received by the MAA, be applied to reduce the fiscal year 2021 Airline Agreement requirement. See "Federal Response to Pandemic" below.

Beginning April 1, 2020, the MAA suspended and/or reduced the minimum annual rental fee or guarantee ("MAG") provisions under the Rental Car Agreements (as defined herein), the Concession Contract (as defined herein), and the MAA's contract with BWI Marshall's fixed-base operator. The combined financial impact through December 2020 of these fee suspensions to MAA is estimated at approximately $22.1 million in foregone revenue. The MAG under the Rental Car Agreements was reset at a reduced level effective January 1, 2021 through contract expiration in December 2023. The MAG payable by Fraport Maryland and its sub-tenants under the Concession Contract has also been reduced from its prior level and the agreement has been extended through March 2023. The suspension of the MAG payable by BWI Marshall's fixed-base operator expired on December 31, 2020.

Beginning March 1, 2020, the MAA suspended the minimum monthly guarantee payable under its prior parking concession contract with the Parking Operator (as defined herein), which resulted in an estimated $18.4 million in lost revenue through June 30, 2020. The parking concession contract expired June 30, 2020, and was replaced with the Parking Agreement, an emergency management contract for fiscal year 2021. See "AIRPORT AGREEMENTS – Other Agreements – Parking Agreement" herein.

Several other small businesses were granted financial relief in the form of fixed fee suspensions and rent deferrals including the luggage cart, airline catering, concession distribution and duty-free businesses (which subsequently terminated its contract with BWI Marshall Airport as a result of the international traffic decline). Provisions in the MAA's contracts with payment terms requiring upward adjustments for inflation have also been suspended. The collective fiscal impact through December 2020 of these fee suspensions and rent deferrals is estimated at less than $20,000 in foregone revenue and $13.4 million in deferred revenues.

MAA Response to Pandemic

Shortly after the Governor's statewide emergency declaration on March 5, 2020, the MAA began preparing a comprehensive pandemic response plan (the "Plan"). The Plan involves the office of each division of the MAA, including, but not limited to, airport operations, commercial management, finance, marketing, air service development, information technology, planning & engineering, police, fire rescue and Martin State Airport. In addition, the MAA tasked a passenger survey vendor to prepare and conduct a passenger survey of flyers in the region to ascertain passengers' COVID-19 related concerns in the airport environment and established a bankruptcy surveillance team to monitor receivables, performance bonds/surety instruments and review industry news regarding potential Chapter 11 filings.

Five work groups of MAA professionals were assembled to innovate, research and develop concepts and ideas to reach this goal. The work groups and areas of concentration were as follows: (1) **Administration** -- internal policies governing MAA workforce, including safety, telework, procedures and work-space management; (2) **Business and Finance** -- cost recovery, budget management, concessions program, airline relations; (3) **Capital and Technology** -- capital and technology improvements to address health, safety, social distancing and requirements or guidelines from state and federal agencies related to the pandemic; (4) **Communication** -- consistent messaging, marketing to both internal and external groups; and (5) **Operations** -- the improvement of life-safety areas, custodial enhancements, maintenance, security and operational procedures.

Strategies generated from the work groups were developed into ten programs/ campaigns, including programs to implement airport social distancing measures, an enhanced terminal disinfection program, and a public relations campaign focusing on safe air travel and related efforts at BWI Marshall Airport. Realizing that the impact of the pandemic will be both short-term and long-term, these strategies are reflected in the MAA 2021 Strategic Plan.

Federal Response to Pandemic

The United States government has taken legislative and regulatory actions and implementing measures to mitigate the broad disruptive effects of the COVID-19 pandemic. The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), approved by the United States Congress and signed by the President of the United States on March 27, 2020, is one such legislative measure to address the crisis created by the pandemic and includes direct aid in the form of grants for airports as well as direct aid, loans and loan guarantees for passenger and cargo airlines.

Provisions of the CARES Act, which provide $10 billion in grant assistance to airports, generally include: (a) $3.7 billion to be allocated among all United States commercial service airports based on number of enplanements in calendar year 2018, (b) $3.7 billion to be allocated among all United States commercial service airports based on formulas that consider the Department of Aviation's Fiscal Year 2018 debt service relative to other airports, and cash-to-debt service ratios, (c) $2.0 billion to be apportioned in accordance with the Airport Improvement Program ("AIP") entitlement formulas, subject to the CARES Act formula revisions, (d) $500 million to increase the federal share to 100% for grants awarded in federal fiscal year 2020 under certain grant programs including the AIP, and (e) $100 million reserved for general aviation airports.

Subject to certain exceptions, an airport receiving the CARES Act assistance must continue to employ, through December 31, 2020, at least 90% of the number of individuals employed (after making adjustments for retirements or voluntary employee separations) as of March 27, 2020. The MAA complied with this requirement.

The MAA applied to the Federal Aviation Administration (the "FAA") for relief under the CARES Act. The MAA received the maximum amount allocated to BWI Marshall, $87.6 million, as well as $157,000 for Martin State Airport. The MAA's CARES Act funding was received in June 2020 and reimbursed the MAA for the following expenses, which had been incurred from January 20, 2020 through May 31, 2020, approximately $60.8 million for operating expenses, $13.5 million for debt service payments on the Maryland Economic Development Corporation Lease Revenue Refunding Bonds (Maryland Aviation Administration Facilities) 2012 Series (Taxable), $0.8 million for debt service payments on certificates of participation and $12.5 million for capital expenses. The State also received CARES Act funding to reimburse State agencies for expenses related to the pandemic, of which the MAA received $2.4 million.

In addition, the CARES Act provided for additional grant funding for projects receiving supplementary Airport Improvement Program ("AIP") grant funding. Such CARES Act funds allowed the FAA to issue AIP grants at 100% of the project cost, whereas such grants would have otherwise been 75% or 80% of the project cost depending on the type of project. The MAA received an additional $3.3 million for two capital improvement projects with an AIP cost of $13.2 million and an additional $133,000 for a noise program project with an AIP cost of $665,000.

In addition to the CARES Act grant funding allocated to airports, the TSA received $54 million in CARES Act funds to reimburse airports for increased janitorial cleaning related to the pandemic. The MAA and TSA have entered into an agreement effective from October 2020 through March 2021, which provides for the reimbursement in the amount of approximately $79,000 per month of funds expended by the MAA on enhanced cleaning of TSA facilities in connection with the pandemic.

On March 13, 2020, the President of the United States declared the ongoing COVID-19 pandemic of sufficient severity to warrant an emergency declaration for purposes of obtaining disaster assistance through the Request for Public Assistance program administered by the Federal Emergency Management Agency ("FEMA"). The Department has taken appropriate measures to ensure the MAA will be able to apply for FEMA funding at the appropriate time. It is not known at this time how much, if any, FEMA funding will be received.

On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (the "2021 Act") was signed into law by the President of the United States. The 2021 Act includes $2 billion in funds to be awarded as economic relief to eligible United States airports and eligible concessionaires at those airports to prevent, prepare for, and respond to COVID-19. The FAA has not yet announced allocations or guidance with respect to the funding available under the 2021 Act. The Department expects to receive additional funding under the 2021 Act but the timing and amount are not yet known.

AIRPORT AGREEMENTS

The MAA has agreements with various users of BWI Marshall Airport and Martin State Airport, respectively, certain of which generate revenues that are included in Pledged Revenues.

Airline Agreement

The MAA has entered an Airline Agreement (which relates to the terminal lease and airfield operations) with fifteen Signatory Airlines, including, Alaska Airlines, Air Canada, American, British Airways, Condor Airlines, Delta, JetBlue, Southwest, Spirit and United, as well as cargo airlines FedEx, UPS, ATI, ABX, and Atlas. The Airline Agreement provides for a commercial compensatory rate-making methodology to calculate terminal rental rates, and a residual rate-making methodology to calculate the airfield area landing fees and baggage claim fees. In addition, Signatory Airlines must either provide international service or pay a minimum of $200,000 annually in rates, fees, and charges to the MAA. In fiscal year 2020, the Signatory Airlines accounted for approximately 98.2% of total enplaned passengers at BWI Marshall Airport. The term of the current Airline Agreement began on July 1, 2019 and extends through June 30, 2026.

Non-Signatory Airlines generally operate at BWI Marshall Airport under written agreements on a month-to-month basis. Airlines that do not have an executed Airline Agreement with the MAA may operate at BWI Marshall Airport but are subject to higher fees than Signatory Airlines. Airlines that do not have executed Airline Agreements with the MAA could challenge the MAA's airline rate-making methodology under the United States Department of Transportation's rates and charges review process.

The revenues received by or on behalf of the MAA under the Airline Agreement and arrangements with other airlines operating at BWI Marshall Airport are included in Pledged Revenues. Pursuant to the Airline Agreement the MAA may increase terminal rentals, fees and charges as necessary to ensure that Net Pledged Revenues are sufficient to meet the debt service coverage requirement of the Rate Covenant ("Extraordinary Coverage Payments"). Any such Extraordinary Coverage Payments are to be retained by the MAA only to the extent necessary to meet the Rate Covenant requirement and excess amounts are to be credited back to the Signatory Airlines.

Other Agreements

Other agreements entered into by the MAA with respect to BWI Marshall Airport and Martin State Airport include (without limitation) the following:

Terminal Building Concessions Contracts. The most significant sources of terminal building concession revenues are food and beverage, retail, news and gift and certain other services. The current Lease and Concession Contract (the "Concession Contract") is with Fraport (formerly Airmall) Maryland, Inc. The Concession Contract was entered into in March 2004 and runs through March 2023. The MAA has the right to terminate the Concession Contract with or without cause upon six months prior written notice at any time on or after April 1, 2017, without any cost to the MAA except for the cost of buyouts authorized by the Concession Contract. The MAA will be issuing a new request for proposal in early 2022 for an agreement to replace the Concession Contract. The revenues received by or on behalf of the MAA under the Concession Contract are included in Pledged Revenues.

Parking Agreement. The MAA entered into an Agreement dated July 1, 2020 (the "Parking Agreement"), with SP+ Parking (the "Parking Operator"). Pursuant to the Parking Agreement, the Parking Operator manages and operates parking facilities located at BWI Marshall Airport and collects customer parking fees on behalf of the MAA. The term of the current Parking Agreement is set to expire June 30, 2021. The MAA has issued a solicitation for a new management contract to be effective July 1, 2021 for the operation and management of the BWI Marshall Airport parking facilities. The MAA is responsible for setting the parking rates at all BWI Marshall Airport public parking facilities. The revenues received by or on behalf of the MAA under the Parking Agreement are included in Pledged Revenues.

Rental Car Agreements. The MAA has entered into agreements with certain rental car companies (the "Rental Car Agreements") under which, among other things, each rental car company is required to collect from customers certain customer facility charges ("Customer Facility Charges"). Customer Facility Charges collected by the MAA are pledged to pay debt service on certain revenue bonds issued by the Maryland Transportation Authority to finance the Consolidated Rental Car Facility. The current Customer Facility Charge is $3.75 per transaction day. The term of each of the Rental Car Agreements extends to December 2023. ***The Series 2021A Bonds are not secured by the Customer Facility Charges***. All other revenues received by or on behalf of the MAA under the Rental Car Agreements are included in the Pledged Revenues.

HISTORICAL TRANSPORTATION TRUST FUND PAYMENTS FOR MAA CAPITAL PROGRAM

The MAA maintains a rolling six-year capital improvement program for BWI Marshall Airport and Martin State Airport. Although the Department is not contractually obligated to do so, for each of fiscal year 2013 through fiscal year 2019, the Department provided the following amounts from the Transportation Trust Fund, as appropriated, for funding the MAA's ongoing capital program at BWI Marshall Airport and Martin State Airport:

FUNDING OF MAA CAPITAL PROGRAM*
(Amounts in millions of dollars)

Fiscal Year	MAA Net Operating Revenues	TTF Funds†	Total Capital Program*
2013	$50	$6	$56
2014	$23	$59	$82
2015	$37	$50	$87
2016	$41	$53	$94
2017	$56	$66	$122
2018	$62	$48	$110
2019	$53	$10	$63

Source: Maryland Aviation Administration records.
* Excluding the customer facility charge and passenger facility charge-related, Maryland Transportation Authority loans, revenue bonds and Department Certificates of Participation.
† Transportation Trust Fund.

COVID-19 IMPACT ON THE TRANSPORTATION TRUST FUND

In accordance with State law, on September 1, 2020, the Department issued its updated six-year capital program for fiscal years 2021-2026, along with the financial plan that supports it. The draft fiscal year 2021-2026 consolidated transportation program of the Department is $2.9 billion less than the previous six-year capital program. This $2.9 billion reduction reflects capital budget reductions of $1.9 billion necessitated by revenue declines associated with the COVID-19 pandemic health crisis as well as project cash flow changes and completions following record-setting investments in transportation over the last several years. In addition to the capital budget reductions, the Department announced an operating budget reduction for fiscal year 2021 totaling $98,000,000, including certain service modifications that are subject to public hearings.

Over the fiscal year 2021-2026 period, the Department is forecasting a total six-year revenue decline of $1.4 billion and a decrease in bond sales of $1.5 billion for a total $2.9 billion impact on the Transportation Trust Fund. The impact of COVID-19 has hit every single revenue source to the Transportation Trust Fund and most revenues are not expected to return to their pre-COVID-19 levels until fiscal year 2023 or beyond.

While the duration and severity of the impact of COVID-19 is uncertain and difficult to estimate, the Department believes it will have the necessary revenue and liquidity to make timely payments on all its obligations.

DEBT SERVICE SCHEDULE

The following table sets forth the estimated debt service requirements for the Series 2021A Bonds, and each 12-month period ending August 1 (a "Bond Year").

Bond Year	Principal	Interest	Total
2021	-	$ 1,019,133	$ 1,019,133
2022	-	2,351,845	2,351,845
2023	$ 26,755,000	2,351,845	29,106,845
2024	26,855,000	2,255,259	29,110,259
2025	26,995,000	2,114,002	29,109,002
2026	27,215,000	1,896,422	29,111,422
2027	27,460,000	1,649,854	29,109,854
2028	27,805,000	1,305,780	29,110,780
2029	28,165,000	943,481	29,108,481
2030	28,630,000	482,702	29,112,702
Totals:	$219,880,000	$16,370,322	$236,250,322

Note: Totals may not add due to rounding.

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REPORT OF THE AIRPORT CONSULTANT

References made herein to the ROAC, included as Appendix D hereto, are made to the entire ROAC, which contains material information, projections, findings, assumptions, and conclusions regarding BWI Marshall Airport and Martin State Airport. The ROAC has been included herein in reliance upon the knowledge and experience of the Airport Consultant.

The ROAC presents certain airline traffic and financial projections for the fiscal years ending June 30, 2021 through June 30, 2026 and sets forth the assumptions upon which the projections are based. Certain of such assumptions were provided by, or reviewed and agreed to by, the MAA management. In the opinion of the Airport Consultant, these assumptions provide a reasonable basis for the projections.

The ROAC includes a discussion of the underlying economic base of the Air Service Area, analysis of historical and projected numbers of enplaned passengers at BWI Marshall, a range of the scenarios for the recovery of passenger traffic, a description of the 2021 Project to be funded with the planned series of Additional Bonds to be issued in 2021 and 2022, and projections of Net Pledged Revenues and debt service coverage ratios during the projection period.

The information in the following table has been extracted from the ROAC, and such table shows projections of Pledged Revenues, Net Pledged Revenues after Other Obligations, Debt Service Requirements on the Series 2021A Bonds and the planned Additional Bonds to be issued to finance the 2021 Project, debt service coverage on the Series 2021A Bonds and the planned Additional Bonds to be issued to finance the 2021 Project and average airline payments per enplaned passenger for fiscal years 2021 through 2026 under the Moderate Passenger Traffic Recovery scenario.

PROJECTED DEBT SERVICE COVERAGE AND AIRLINE PAYMENTS PER PASSENGER
Moderate Passenger Traffic Recovery Scenario
Fiscal years 2021 through 2026

Fiscal Year	Pledged Revenues	Net Pledged Revenues after Other Obligations [A]	Bond Debt Service Requirements [B]	Bond Debt Service Coverage Ratio [A/B]	Airline Payments per Passenger
2021	$197,632,258	$12,103,258	$ 6,483,000	186.7%	$18.33
2022	231,065,000	33,444,000	4,700,000	711.6	13.90
2023	258,385,000	55,004,000	29,455,000	186.7	10.73
2024	270,317,000	58,383,000	29,458,000	198.2	10.20
2025	305,791,000	82,222,000	58,770,000	139.9	12.18
2026	311,162,000	80,738,000	58,764,000	137.4	11.90

Source: Appendix D – Report of the Airport Consultant.

The ROAC should be read in its entirety for an understanding of the projections and the underlying assumptions contained therein.

INVESTMENT CONSIDERATIONS

The Series 2021A Bonds may not be suitable investments for all persons, and prospective purchasers should be able to evaluate the risks and merits of an investment in the Series 2021A Bonds and should confer with their own legal and financial advisors before considering a purchase of any Bonds. In considering the matters set forth in this Official Statement, prospective investors should carefully review the investment considerations set forth throughout this Official Statement and specifically consider certain investment considerations associated with the Series 2021A Bonds. The material under this heading is a discussion of some, but not all, of the possible investment considerations that should be evaluated carefully by prospective purchasers of the Series 2021A Bonds prior to any investment. The order in which such considerations are presented does not necessarily reflect the relative importance of such considerations or the likelihood that any of the events or circumstances described below will occur or exist.

Limited Obligations

The Series 2021A Bonds are limited obligations of the Department payable solely from Pledged Revenues and shall not be deemed to (i) be general obligations of the Department, (ii) constitute obligations of the Department, (iii) constitute obligations of the MAA or (iv) constitute a debt or a pledge of the faith and credit of the State or any political subdivision thereof. Neither the Department nor the MAA has taxing power.

General Airline Industry Factors

The Series 2021A Bonds are payable solely from the Trust Estate, consisting primarily of the Pledged Revenues. The amount of Pledged Revenues will be dependent primarily on the levels of aviation activity and enplaned passenger traffic at BWI Marshall Airport and Martin State Airport and are affected substantially by the economic health of the airline industry and the airlines serving BWI Marshall Airport. Certain factors that may materially affect BWI Marshall Airport and Martin State Airport and the financial health and viability of the airlines include, but are not limited to, changes in the population and the economic health of the region and nation; airline service and route networks; local, regional, national and international economic and political conditions; aviation security concerns; changes in demand for air travel; service and cost competition; mergers; the availability and cost of aviation fuel and other necessary supplies; levels of air fares; fixed costs and capital requirements; the cost and availability of financing; the capacity of the national air traffic control system; the capacity of BWI Marshall Airport; competition from other airports, particularly the other two major airports serving the Baltimore-Washington metropolitan area, Reagan National Airport and Dulles International Airport; national and international disasters and hostilities; domestic and world health concerns; the cost and availability of employees; labor relations within the airline industry; regulation by the federal government; environmental risks and regulations; noise abatement concerns and regulation; passenger frustrations with delays caused by increased security measures; bankruptcy and insolvency laws; acts of war or terrorism; and business travel substitutes.

COVID-19

Airports in the United States, including BWI Marshall Airport and Martin State Airport, have been materially adversely impacted by the broad-based economic shutdown resulting from efforts to stop the spread of COVID-19, including reductions in flights and declines in passenger volumes. The outbreak has adversely affected domestic and international travel and travel-related industries. Airlines are reporting unprecedented downturns in passenger volumes, which in turn, has resulted in a considerable reduction in scheduled service. For a discussion of existing and potential future impacts on the operations and financial condition of BWI Marshall Airport and Martin State Airport, see "IMPACT OF COVID-19 ON THE AIRPORTS" herein.

The Department and the MAA cannot predict, among other things: (a) the scope, duration or extent of the COVID-19 pandemic or any other outbreak or pandemic on: (i) the existing restrictions and warnings or any additional restrictions and warnings which may be imposed by local, state or federal governments, nor the timing of the relaxation or release of such restrictions; and (ii) any additional short- or long-term effects the restrictions and warnings imposed by local, state or federal governments may have on the operations of BWI Marshall Airport and Martin State Airport and the revenues and expenditures of the MAA; (b) the scope, duration or extent of the COVID-19 pandemic or any other outbreak or pandemic on the local, the State, national or global economy or the impact of such disruption on the operations of BWI Marshall Airport and Martin State Airport and the revenues and expenditures of the MAA; or (c) whether any of the foregoing may have a material adverse effect on the operations of BWI Marshall Airport and Martin State Airport and the revenues and expenditures of the MAA. See "IMPACT OF COVID-19 ON THE AIRPORTS" herein.

Prospective investors should assume that the restrictions and limitations related to the COVID-19 pandemic, and the current upheaval to the air travel industry and the national and global economies, will continue at least over the near term, recovery may be prolonged and, therefore, have an adverse impact on operations and revenues of BWI Marshall Airport and Martin State Airport. Future outbreaks, pandemics or events outside the Department's and the MAA's control may further reduce demand for travel, which in turn could cause a decrease in passenger activity at BWI Marshall Airport and Martin State Airport and declines in operations and revenues.

In addition to the impact of COVID-19 on BWI Marshall Airport and Martin State Airport, the COVID-19 pandemic has hit every single revenue source to the Transportation Trust Fund and most revenues are not expected to return to their pre-COVID-19 levels until fiscal 2023 or beyond. See "COVID-19 IMPACT ON THE TRANSPORTATION TRUST FUND" herein. The outbreak of COVID-19 has adversely affected and is expected to continue to impact the Department's financial results and liquidity. The impact of the pandemic on the revenues and operations of the Department cannot be predicted at this time due to the dynamic and unprecedented nature of the outbreak, including uncertainties relating to the duration and severity of the pandemic and what, if any, additional actions may be taken by the federal government. The continued spread of COVID-19 and the containment and mitigation efforts in response thereto are likely to have a material adverse effect on the revenues and operations of the Department and the State, as well as on national and global economies.

Southwest Airlines' Presence at BWI Marshall Airport

Southwest is the dominant air carrier operating at BWI Marshall Airport and maintains a large connecting hub at BWI Marshall Airport. Southwest accounted for approximately 66% of the total passengers enplaned at BWI Marshall in fiscal year 2020. No assurance can be given with regard to Southwest's future level of activity at BWI Marshall Airport. If, for whatever reason, Southwest reduces or discontinues its operations at BWI Marshall, the level of activity of Southwest may not be replaced by other carriers, which could result in a reduction of the total number of enplaned passengers at BWI Marshall and a reduction in the amount of Pledged Revenues. See "THE BALTIMORE/WASHINGTON INTERNATIONAL THURGOOD MARSHALL AIRPORT" above.

Any reduction or discontinuation of Southwest's activity at BWI Marshall Airport could result in material differences to the projections presented in the ROAC. See "REPORT OF THE AIRPORT CONSULTANT" herein and "REPORT OF THE AIRPORT CONSULTANT" in Appendix D.

Regional and National Economic Conditions

Historically, airline passenger traffic nationwide has correlated closely with the condition of the United States economy and levels of real disposable income. Previous recessions and periods of stagnant economic conditions in the United States, Maryland and the Baltimore metropolitan area contributed to reduced passenger traffic at BWI Marshall Airport. Future increases in passenger traffic will depend largely on the ability of the United States to sustain growth in economic output and income. The COVID-19 pandemic is materially adversely impacting local, state, national and global economies. The short and long-term effects of these developments on the broader economy are not known at this time. See "IMPACT OF COVID-19 ON THE AIRPORTS" herein.

With the globalization of business and the increased importance of international trade and tourism, growth in the United States economy has become more closely tied to worldwide economic, political, and social conditions. As a result, international economic conditions, trade balances, currency exchange rates, political relationships, and hostilities are important influences on passenger traffic at United States airports, including BWI Marshall Airport. Sustained future increases in passenger traffic at BWI Marshall Airport will depend in part on stable international conditions as well as national and global economic growth. See also "Financial Condition of Airlines Serving BWI Marshall Airport" below.

Financial Condition of Airlines Serving BWI Marshall Airport

The number of passengers using BWI Marshall Airport will depend partly on the profitability of the airline industry and the associated ability of the industry and individual airlines, particularly Southwest, to make the necessary investments to continue providing service. Sustained industry profitability will depend on, among other factors, economic growth to support airline travel demand, continued capacity control to enable increased airfares, and stable fuel prices and labor costs.

The financial condition of the United States airline industry has historically been volatile and many carriers have had extended periods of unprofitability in the past. The airline industry is sensitive to a variety of factors, including the cost and availability of labor, fuel, aircraft, supplies and insurance; general economic conditions; international trade; currency values; competitive considerations, including effects of airline ticket pricing; governmental regulations, including security and climate change-related regulations; taxes imposed on airlines and passengers; maintenance and environmental requirements; passenger demand for air travel; strikes and other union activities; availability of financing; and disruptions caused by airline accidents, criminal accidents, public health concerns and acts of war or terrorism.

The grounding of the Boeing 737 MAX airplanes in March 2019 affected airline operations across the country, including the Signatory Airlines and Southwest, in particular. In November 2020, the FAA rescinded its order grounding the aircraft, allowing it to return to service once design changes and revisions to pilot training programs are approved and the aircraft is recertified by the FAA and other regulatory agencies. Airline industry analysts expect that 737 MAX will be reintroduced into service beginning in the first half of 2021. Southwest has the largest MAX fleet of any airline and its flight operations have been particularly affected by the grounding. As a result of such factors, airline operating and financial performance can fluctuate dramatically from one reporting period to the next.

The revenues of the airlines serving BWI Marshall and Martin State Airport may be materially affected by many factors, including (without limitation) the following: technological changes; strikes and other employee disruptions; the maintenance and replacement requirements of aircraft; the availability of routes and slots at various airports; litigation liability; and other risks. Historically, the airline industry's results have correlated with the performance of the national and international economy. See also "General Airline Industry Factors" above.

Various travel restrictions, stay-at-home orders, and social distancing guidelines due to COVID-19, and the resulting reduced demand for air travel, have had material adverse financial and operating impacts on the airlines serving BWI Marshall Airport. Heavy losses since March 2020 as a result of the COVID-19 pandemic have led many airlines to subsequently reduce flights and routes, reduce passengers and flight loads per flight, and take steps to potentially furlough thousands of airline employees. See "IMPACT OF COVID-19 ON THE AIRPORTS" herein.

Future financial or operational difficulties by one or more Signatory Airlines may directly or indirectly have an adverse impact on BWI Marshall Airport operations and may result in a reduction in the amount of Pledged Revenues. The Department makes no representation concerning the financial health of the airlines, and no assurance can be given regarding the impact, if any, that future unfavorable events affecting airline users or the airline industry more broadly might have upon the Pledged Revenues or the operations of BWI Marshall Airport or Martin State Airport.

Effect of Airline Industry Consolidation

In response to competitive pressures, the United States airline industry has consolidated. In December 2009, Delta and Northwest Airlines merged, with the combined airline operating as Delta. In October 2010, United and Continental Airlines merged, with the combined airline operating as United. In 2011, Southwest completed its acquisition of AirTran Airways, and in 2012 was issued a single operating certificate. In 2013, American and US Airways merged, with the combined airline operating as American, and in October 2016 was issued a single operating certificate. In 2016, Alaska Air Group completed its acquisition of Virgin America and received a single operating certificate in January 2018. While prior mergers have not materially affected operations at BWI Marshall Airport, any future mergers or consolidations of other Signatory Airlines could materially adversely affect operations at BWI Marshall Airport.

Consolidation has resulted in four airlines (American, Delta, Southwest and United) and their regional affiliates now accounting for approximately 80% of domestic seat-mile capacity. The consolidation has contributed to industry profitability. However, any resumption of financial losses could cause one or more United States airlines to seek bankruptcy protection or liquidate. The liquidation of any of the large network airlines would drastically affect airline service at certain connecting hub airports and change airline travel patterns nationwide.

Aviation Safety and Security Concerns

A terrorist threat or terrorist incident aimed at aviation could have an immediate and significant impact on the demand for aviation services, including, but not limited to, services at BWI Marshall Airport, and depress airline industry revenues. Since 2001, intensified security precautions have been instituted by government agencies, airlines and airport operators. Enhanced security procedures create the potential for increased inconvenience and delays at many airports, although to date only relatively minor delays have been experienced. No assurance can be given that such enhanced security precautions will be successful or will not create unacceptable inconvenience and delays. The possibility of intensified international hostilities and further terrorist attacks involving or affecting commercial aviation are a continuing concern that may affect future travel behavior and airline passenger demand.

Aviation Fuel Prices

The price of aviation fuel is an important determinant of an airline's operating economics. Over the last 15 years, fuel prices have fluctuated drastically, reaching record highs in 2008. Fuel prices continue to be susceptible to, among other factors affecting the global demand for and supply of oil, political unrest in various parts of the world, Organization of Petroleum Exporting Countries policy, increased demand for fuel caused by the rapid growth of economies such as those of China and India, the levels of fuel inventory maintained by certain industries, the amounts of reserves maintained by governments, currency fluctuations, disruptions to production and refining facilities, and weather. It is not possible to predict whether and to what extent fuel prices will increase and the effect of such increases on the airlines serving BWI Marshall Airport and/or Martin State Airport.

Regulations, Grant Assurances, and Other Restrictions Affecting the Airports

The operations of BWI Marshall Airport and Martin State Airport are affected by a variety of contractual, statutory, regulatory and grant assurance restrictions and limitations including, without limitation, the provisions of the Airline Agreement and extensive federal legislation, regulations, and grant assurances applicable to commercial service airports in the United States.

It is not possible to predict whether future restrictions or limitations on BWI Marshall Airport operations and/or Martin State Airport operations will be imposed, whether future legislation, regulations or grant assurances will affect future federal funding for capital projects for BWI Marshall Airport or Martin State Airport or whether such restrictions, legislation, regulations or grant assurances would adversely affect Pledged Revenues.

Climate Change and Possible New Regulations

Climate change concerns are shaping laws and regulations at the federal and state levels that could have a material adverse effect on airlines operating at BWI Marshall Airport and could also affect ground operations at BWI Marshall Airport and/or Martin State Airport. While the United States Environmental Protection Agency (the "EPA") does not currently regulate greenhouse gas ("GHG") emissions from aircraft, it has taken steps toward regulation of GHG under existing federal law. These steps may in turn lead to further regulation of aircraft GHG emissions. On July 5, 2011, the United States District Court for the District of Columbia issued an order concluding that the EPA has a mandatory obligation under the Clean Air Act to consider whether the GHG and black carbon emissions of aircraft engines endanger public health and welfare. On August 15, 2016, the EPA found that GHG emissions from certain aircraft cause and contribute to pollution that endangers public health and welfare. In that endangerment finding, the EPA stated that it intends to propose GHG emission standards for covered aircraft that will be at least as stringent as emission standards under development by the International Civil Aviation Organization ("ICAO"). The ICAO's standards were approved on October 6, 2016 and adopted on March 6, 2017. The ICAO standards apply to new aircraft type designs from 2020 forward, and in-production aircraft must meet the standards by 2028. EPA has publicly indicated as recently as January 2018 its intent to adopt the ICAO emission standards for the United States, but the agency has not initiated rulemaking or set a timeline for such actions. Consequently, the Department cannot predict when the EPA's emission standards will be proposed, when the FAA will adopt regulations to implement those standards, or what effect the standards may have on BWI Marshall Airport or on air traffic at BWI Marshall Airport. Further, the Department cannot predict what additional laws and regulations on other environmental issues (including but not limited to air, water, hazardous substances and waste regulations) will be adopted, or what effects such laws and regulations will have on BWI Marshall Airport. The effects, however, could be material.

Government Sequestration and Shutdowns

Government sequestration and the impacts of a government shutdown may affect local air travel. The impact of a federal government shutdown on the demand for local air travel would depend on the duration and depth of such a shutdown and, therefore, is difficult to quantify.

Effect of Bankruptcy on the Airline Agreement

Airlines operating at BWI Marshall Airport have filed for bankruptcy in the past and may do so in the future. The Department and the MAA cannot predict the extent to which any such events would impact the ability of the MAA to generate sufficient Pledged Revenues to pay the Series 2021A Bonds. See "BALTIMORE/WASHINGTON INTERNATIONAL THURGOOD

MARSHALL AIRPORT – Airlines Serving BWI Marshall Airport" and "AIRPORT AGREEMENTS" herein.

In the event of bankruptcy proceedings involving one or more Signatory Airlines, the debtor airline or its bankruptcy trustee must determine within a time period determined by the court whether to assume or reject the applicable Airline Agreement. In the event of assumption, the debtor airline would be required to cure any prior defaults and to provide adequate assurance of future performance under the relevant document. Rejection of the Airline Agreement by any airline would give rise to an unsecured claim of the MAA for damages, the amount of which may be limited by the United States Bankruptcy Code.

Competition, Alternative Modes of Transportation, and Travel Substitutes

BWI Marshall Airport's Air Service Area is the Baltimore-Washington metropolitan area, which includes Washington, D.C., Maryland, and Northern Virginia. Other Washington area airports, notably Reagan National Airport and Dulles International Airport, compete with BWI Marshall Airport. In addition, commercial airline service between BWI Marshall Airport and cities in the Northeast corridor competes with rail and other forms of transportation which may become more attractive to passengers in the future with improvements in ground transportation service and in differences in costs of each form of transportation, and in light of security concerns and countermeasures. While the effects cannot be quantified, the use of business jets has been expanding rapidly and may hold down the return of high-yield business travel on commercial airlines at BWI Marshall Airport. Furthermore, the MAA may continue to experience increases in its operating costs due to compliance with federally mandated and other security and operating changes. Such increased costs may increase costs per enplaned passenger to the airlines, which could result in BWI Marshall Airport being at a competitive disadvantage relative to other airports and transportation modes.

Teleconference, video-conference and web-based meetings have improved in quality and price and are often considered a satisfactory alternative to face-to-face business meetings. Although the impact cannot be quantified, it is possible that business travel to and from BWI Marshall Airport may be susceptible to such travel substitutes.

Failure of Transportation Trust Fund Payments

Pursuant to the Trust Agreement, the Department has provided a gross pledge of the Pledged Revenues for the payment of the Bonds, including the Series 2021A Bonds. If the Pledged Revenues are insufficient to pay required debt service payments on the Bonds, the Department may request a supplemental appropriation to pay such payments using funds in the Transportation Trust Fund. Additionally, payment of Operating Expenses at BWI Marshall Airport or Martin State Airport are subject to appropriation, both as part of the Department's annual budget and in connection with any supplemental appropriation for additional Operating Expenses requested by the Department. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Transportation Trust Fund." There are no operating or maintenance expense payments or operating expense or maintenance reserves being funded from Pledged Revenues or otherwise held by the Trustee.

The Transportation Trust Fund is used to pay debt service for other obligations of the Department and to pay operating expenses of all the Administrations comprising the Department, including payments of the Department's annual contributions to the Maryland State Retirement and Pension System for its employees, and there is no assurance that the Transportation Trust Fund will have sufficient moneys available to make an appropriation. In addition, in the event that funds in the Transportation Trust Fund are available, any such request to receive monies from the Transportation Trust Fund is subject to, and dependent upon, appropriation of funds for such purpose by the General Assembly. The General Assembly is not obligated to make any appropriation or to make a sufficient appropriation to pay debt service on the obligations of the Department (including, to the extent necessary, the Bonds) or Operating Expenses at BWI Marshall Airport or Martin State Airport in any year. A failure to appropriate amounts sufficient to pay all debt service due on the Bonds or to pay Operating Expenses would not constitute an event of default under the Trust Agreement. There can be no assurance that the General Assembly will appropriate money sufficient to pay debt service on the Bonds, if necessary, or to pay Operating Expenses at any time.

Force Majeure

The Department's and the MAA's ability to generate Pledged Revenues also is at risk from other force majeure events, such as extreme weather events and other natural occurrences, fires, explosions, spills of hazardous substances, strikes and lockouts, sabotage, or wars, terrorist or other attacks, blockades or riots. No assurance can be provided that such events will not occur, and, if any such events were to occur, no prediction can be provided as to the actual impact or severity of the impact on the MAA's operations or on BWI Marshall's or Martin State Airport's operations and financial condition, as applicable.

Worldwide Health Concerns

Travel restrictions, as well as other public health measures, may be imposed to limit the spread of communicable diseases which may arise. The rapidly spreading outbreak of the COVID-19 has been declared a pandemic by the WHO. The outbreak has had an adverse effect on domestic and international travel and a number of travel-related industries, and has severely and broadly disrupted local and global economies See "IMPACT OF COVID-19 ON THE AIRPORTS" herein.

Other previous travel alerts or advisories include the 2016 travel alert by the United States Centers for Disease Control and Prevention warning pregnant women to avoid travel to areas where outbreaks of the Zika virus, which has been linked to birth defects, were occurring. In 2009, the WHO and the United States Department of Health and Human Services (through the Secretary of the Department of Homeland Security) declared public health emergencies as the result of outbreaks of a serious strain of HINI influenza or "flu." In spring 2003, there was an outbreak of a serious strain of bird flu in Asia and Canada called "Severe Acute Respiratory Syndrome" or SARS.

Future outbreaks or pandemics may lead to a significant or material decrease in air traffic, at least for a temporary period, which in turn could cause a further decrease in passenger activity at BWI Marshall and Martin State Airport and a corresponding decline in Pledged Revenues. A disruption to the global supply chain due to a pandemic can also stall manufacturing and construction operations, which in turn could interfere with the MAA's operations at the Airports, or the operations of the airlines operating at BWI Marshall and Martin State Airport.

The MAA currently has adopted temporary measures that are intended to mitigate the impacts on BWI Marshall and Martin State Airport of the COVID-19 outbreak. See "IMPACT OF COVID-19 ON THE AIRPORTS" herein. However, neither the Department nor the MAA is able to predict if these measures are sufficient, or the extent and duration of the impact that the COVID-19 outbreak will have in the long-term on air travel to and from BWI Marshall and Martin State Airport, and on operations of BWI Marshall and Martin State Airport. Prospective investors should be aware that the restrictions and limitations related to COVID-19, and the current upheaval to the air travel industry and the national and global economies may remain in effect or may increase at least over the near term and, therefore, have an adverse impact on BWI Marshall and Martin State Airport revenues and operations. See "IMPACT OF COVID-19 ON THE AIRPORTS" herein.

Cybersecurity

Computer networks and data transmission and collection are vital to the efficient operation of the airline industry. Air travel industry participants, including the Department, the MAA, the airlines, the FAA, the TSA, BWI Marshall Airport, Martin State Airport, the concessionaires and others collect and store sensitive data, including intellectual property, proprietary business information, information regarding customers, suppliers and business partners, and personally identifiable information of customers and employees. The secure processing, maintenance and transmission of this information is critical to air travel industry operations. Despite security measures, information technology and infrastructure of the Department, the MAA, BWI Marshall Airport, Martin State Airport and any airlines serving BWI Marshall Airport may be vulnerable to attacks by networks and the information stored there could be disrupted, accessed, publicly disclosed, lost or stolen. Cybersecurity incidents could result from unintentional events, such as breaches caused by employee error, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the computer networks of the Department, the MAA, BWI Marshall Airport or Martin State Airport for the purposes of misappropriating assets or information or causing operational disruption and damage. Additionally, cybersecurity breaches could cause material disruption to BWI Marshall Airport's or Martin State Airport's operations and the safety and efficiency of the air travel industry generally.

Any such disruption, access, disclosure or other loss of information could expose the Department, the MAA, BWI Marshall Airport or Martin State Airport to material litigation and other legal risks, which would cause the Department, the MAA, BWI Marshall Airport or Martin State Airport to incur material costs related to such legal claims or proceedings, and could result in liability under laws that protect the privacy of personal information, regulatory penalties, disruption in the safety and/or efficiency of the operation of the airlines serving BWI Marshall Airport or Martin State Airport and the services provided by BWI Marshall Airport and Marshall Airport, and cause a loss of confidence in the air travel industry, which could ultimately adversely affect Pledged Revenues.

No assurances can be given that any cybersecurity attacks, if successful, will not have a material adverse effect on the operations or financial condition of the Department, the MAA, BWI

Marshall Airport or Martin State Airport or the airlines serving BWI Marshall Airport or Martin State Airport.

Limitation on Bondholders' Remedies

The Series 2021A Bonds may not be accelerated upon the occurrence of an Event of Default. Under the terms of the Trust Agreement, remedies for Events of Default are limited to such actions which may be taken at law or in equity. As a result, the MAA may be able to continue indefinitely collecting revenues and applying them to the operation of BWI Marshall Airport even if an Event of Default has occurred and no payments are made on the Series 2021A Bonds. See APPENDIX A - "PROPOSED FORM OF TRUST AGREEMENT."

In the event of a default in the payment of principal of or interest on the Series 2021A Bonds, the remedies available to the owners of the Series 2021A Bonds upon default are in many respects dependent upon judicial action, which is often subject to discretion and delay under existing law, including the United States Bankruptcy Code. The approving opinion of Bond Counsel to the Department with respect to the Series 2021A Bonds will be qualified as to enforceability of the various legal instruments by certain limitations, including limitations imposed by bankruptcy, reorganization, insolvency and equitable principles. See Appendix B – "FORM OF OPINION OF BOND COUNSEL."

Forward-Looking Statements

This Official Statement contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," project," "forecast," "intend," "expect" and similar expressions identify forward-looking statements. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between projections and actual results, and those differences may be material.

TAX MATTERS

The following is only a general summary of certain provisions of the Internal Revenue Code of 1986, as amended (the "Code") as enacted and in effect on the date hereof and does not purport to be complete; holders of the Series 2021A Bonds should consult their own tax advisors as to the effects, if any, of the Code (and any proposed or subsequently enacted amendments to the Code) in their particular circumstances.

Maryland Income Taxation

In the opinion of Bond Counsel, under existing law, the Series 2021A Bonds, their transfer, the interest payable on them, and any income derived from them, including any profit realized in their sale or exchange, shall be exempt at all times from every kind and nature from taxation by the State or by any of its political subdivisions, municipal corporations, or public agencies of any kind. No opinion is expressed as to estate or inheritance taxes or any other taxes not levied or assessed directly on the Series 2021A Bonds, their transfer or the income therefrom. Interest on the Series 2021A Bonds may be subject to state or local income taxes in jurisdictions other than the State under applicable state or local tax laws. Holders or prospective purchasers of the Series 2021A Bonds should consult their own tax advisors regarding the taxable status of the Series 2021A Bonds in jurisdictions other than the State.

Federal Income Taxation

General

Many factors may impact the application of federal income tax laws pertaining to the Series 2021A Bonds and the receipt of interest on Bonds, including the status of the beneficial owner of the Series 2021A Bonds as a United States holder or non-United States holder under the Code, whether Bonds are held as capital assets or in some other context and whether the status of the beneficial owner or the financial context in which it is operating represents a special tax situation, such as an S corporation, insurance company, tax-exempt organization, financial institution, regulated investment company, real estate investment trust or broker-dealer or trader in securities. Persons considering the purchase of the Series 2021A Bonds should consult their tax advisors concerning the application of federal income tax laws to their particular situations.

The following is a summary of certain federal income tax consequences of the ownership of Bonds held as capital assets by United States holders. The discussion below is based upon the provisions of the Code and regulations, rulings and judicial decisions as of the date of this Official Statement. Those provisions may be changed, in some cases retroactively, so as to result in federal income tax consequences different from those discussed below.

As used herein, "United States holder" means a beneficial owner of a Bond who or that, for United States federal income tax purposes, is (i) a citizen or resident of the United States, (ii) an entity taxable as a corporation created or organized in or under the laws of the United States or any political subdivision of the United States, (iii) an estate, the income of which is subject to federal income taxation regardless of its source or (iv) a trust, if it is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or if it has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

If a partnership, or other entity classified as a partnership for federal income tax purposes, holds Bonds, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. A partner of a partnership holding Bonds should consult its tax advisor.

Payment of Interest

Interest on a Bond will be taxable to a United States holder as ordinary income at the times accrued or paid in accordance with the United States holder's method of accounting for federal income tax purposes.

Tax Accounting Treatment of Discount Bonds

Certain maturities of the Series 2021A Bonds may be issued at an initial public offering price that is less than the stated redemption price at maturity of such Bonds (the "Discount Bonds"). If the stated redemption price at maturity of Discount Bonds of a particular maturity exceeds the first price at which a substantial amount of such Bonds was sold for money (excluding sales to bond houses, brokers or similar persons acting as underwriters, placement agents or wholesalers) by more than a *de minimis* amount, the Discount Bonds will be treated as having original issue discount. A holder of Discount Bonds (whether a cash or accrual method taxpayer) is required to include in gross income as interest the amount of such original issue discount which is treated as having accrued during a taxable year with respect to such Bonds, in advance of the receipt of some or all of the related cash payments. Accrued original issue discount is added to the original cost basis of the holder in determining, for federal income tax purpose, gain or loss upon disposition (including sale, early redemption or repayment at maturity).

Original issue discount on Discount Bonds will be attributed to permissible compounding periods during the life of any Discount Bonds in accordance with a constant rate of interest accrual method. The yield to maturity of the Discount Bonds of each maturity is determined using permissible compounding periods. In general, the length of a permissible compounding period cannot exceed the length of the interval between debt service payments on the Discount Bonds and must begin or end on the date of such payments. The amount of original issue discount allocable to any compounding period is equal to the excess, if any, of (a) the Taxable Discount Bond's adjusted issue price at the beginning of the compounding period multiplied by its yield to maturity, determined on the basis of compounding at the close of each compounding period and properly adjusted for the length of the compounding period, over (b) the aggregate of all qualified stated interest allocable to the compounding period. Original issue discount allocable to a final compounding period is the difference between the amount payable at maturity, other than a payment of qualified stated interest, and the adjusted issue price at the beginning of the final compounding period. Special rules apply for calculating original issue discount for an initial short compounding period. The "adjusted issue price" of a Taxable Discount Bond at the beginning of any compounding period is equal to its issue price increased by the accrued original issue discount for each prior compounding period (determined without regard to the amortization of any acquisition or bond premium, as described below) and reduced by any payments made on the Taxable Discount Bond (other than qualified stated interest) on or before the first day of the compounding period. Under these rules, a holder of a Taxable Discount Bond will have to include in income increasingly greater amounts of original issue discount in successive compounding periods. The amount of original issue discount accrued on Discount Bonds held of record by persons other than corporations and other exempt holders will be reported to the Internal Revenue Service. If a Taxable Discount Bond is sold or otherwise disposed of between compounding dates, then interest that would have accrued for that compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

The term "qualified stated interest" means stated interest that is unconditionally payable in cash or in property, other than debt instruments of the issuer, if the interest to be paid is payable at least once per year, is payable over the entire term of the Taxable Discount Bond and is payable at a single fixed rate or, subject to certain conditions, based on one or more interest indices.

Holders of Discount Bonds should note that, under applicable regulations, the yield and maturity of a Taxable Discount Bond is determined without regard to commercially reasonable sinking fund payments and any original issue discount remaining unaccrued at the time that a Taxable Discount Bond is redeemed in advance of stated maturity will be treated as taxable gain. Moreover, tax regulations prescribe special conventions for determining the yield and maturity of certain debt instruments that provide for alternative payment schedules applicable upon the occurrence of certain contingencies.

The foregoing summarizes certain federal income tax consequences of original issue discount with respect to the Discount Bonds but does not purport to deal with all aspects of federal income taxation that may be relevant to particular investors or circumstances, including those set out above. Prospective purchasers of Discount Bonds should consider possible state and local income, excise or franchise tax consequences arising from original issue discount on Discount Bonds. In addition, prospective foreign corporate purchasers should consider possible federal tax consequences arising from original issue discount on such Bonds under the branch profits tax. The amount of original issue discount considered to have accrued may be reportable in the year of accrual for state and local tax purposes or for purposes of the branch profits tax without a corresponding receipt of cash with which to pay any tax liability attributable to such discount. Purchasers with questions concerning the detailed tax consequences of transactions in the Discount Bonds should consult their tax advisors.

Purchase, Sale and Retirement of Bonds

Except as noted below in the case of market discount, the sale or other disposition of a Series 2021A Bond will normally result in capital gain or loss. A United States holder's initial tax basis in a Series 2021A Bond will be its cost. Upon the disposition of a Series 2021A Bond (including sale, early redemption, purchase or payment maturity), for federal income tax purposes, a United States holder will recognize capital gain or loss upon the disposition of such security in an amount equal to the difference between (a) the amount received upon such disposition (less an amount equal to any accrued qualified stated interest, which will be treated as a payment of interest) and (b) the tax basis in such Bond, determined by adding to the original cost basis in such Series 2021A Bond the amount of any original issue discount and any market discount previously included in such holder's income, and by subtracting any amortized premium and any cash payments on the Series 2021A Bond other than qualified stated interest, as more fully described above under "Tax Accounting Treatment of Discount Bonds." Such gain or loss will be long-term capital gain or loss if at the time of the sale, redemption or retirement, the Series 2021A Bond has been held for more than one year. Under present law, both long and short-term capital gains of corporations are taxed at the rates applicable to ordinary income. For noncorporate taxpayers, however, short- term capital gains are taxed at the rates applicable to ordinary income, while net capital gains are taxed at lower rates. Net capital gains are the excess of net long-term capital gains (gains on capital assets held for more than one year) over net short-term capital losses.

If a United States holder acquires a Series 2021A Bond after its original issuance at a cost which is less than its stated redemption price at maturity (or, in the case of a Series 2021A Bond having original issue discount, its revised issue price) by more than a certain *de minimis* amount, such holder will be deemed to have acquired the Series 2021A Bond at "market discount." The amount of market discount treated as having accrued will be determined either on a ratable basis, or, if the holder so elects, on a constant interest method. Upon any subsequent disposition (including a gift, redemption or payment at maturity) of such Series 2021A Bond (other than in connection with certain nonrecognition transactions), the lesser of any gain on such disposition (or appreciation, in the case of a gift) or the portion of the market discount that accrued while the Series 2021A Bond was held by such holder will be treated as ordinary income at the time of the disposition. In lieu of including accrued market discount in income at the time of disposition, a holder may elect to include market discount in income currently. Unless a holder so elects, a holder may be required to defer deductions for a portion of such holder's interest expense with respect to any indebtedness incurred or maintained to purchase or carry such Series 2021A Bond until the holder disposes of the Bond. The election to include market discount in income currently, once made, is irrevocable and applies to all market discount obligations acquired on or after the first day of the first taxable year to which the election applies and may not be revoked without the consent of the Internal Revenue Service.

Acquisition Premium

A subsequent United States holder of a Series 2021A Bond is generally subject to rules for accruing original issue discount described above. However, if such holder's purchase price for a Series 2021A Bond exceeds the adjusted issue price (the sum of the issue price of the Series 2021A Bond and the aggregate amount of the original issue discount includable in the gross income of all holders for periods before the acquisition of the Series 2021A Bond by such holder, and reduced by any payments previously made on the Series 2021A Bond other than payments of qualified stated interest), the excess (referred to as "acquisition premium") is offset ratably against the amount of original issue discount otherwise includable in such holder's taxable income (*i.e.,* such holder may reduce the daily portion of original issue discount by a fraction, the numerator of which is the excess of such holder's purchase price for the Series 2021A Bond over the adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable on the Series 2021A Bond after the purchase date other than qualified stated interest over the Bond's adjusted price).

Amortizable Bond Premium

If a United States holder's basis in a Series 2021A Bond exceeds the sum of all amounts payable on the Series 2021A Bond after the date on which the holder acquires it other than qualified stated interest, such excess will constitute amortizable bond premium with respect to the Series 2021A Bond and, in the case of a Taxable Discount Bond, such holder will not have to account for original issue discount with respect to such Bond. The holder of a Series 2021A Bond having amortizable bond premium generally may elect to amortize the premium over the remaining term of the Series 2021A Bond on a constant yield method as an offset to interest when includable in income under its regular accounting method. In the case of instruments that provide for alternative payment schedules, bond premium amortization is calculated by assuming that (a) the holder will exercise or not exercise options in a manner that maximizes its yield and (b) the issuer will exercise or not exercise options in a manner that minimizes the holder's yield (except that the issuer will be assumed to exercise call options in a manner that maximizes the holder's yield). In addition, bond premium amortization is calculated without regard to commercially reasonable sinking fund payments. If the holder does not elect to amortize bond premium, that premium will decrease the gain or increase the loss that would otherwise be recognized on disposition of the Bond. An election to amortize premium on a constant yield method will also apply to all debt obligations held or subsequently acquired by the holder on or after the first day of the first taxable year to which the election applies. The holder may not revoke the election without the consent of the Internal Revenue Service. Holders of Bonds having amortizable bond premium should consult with their own tax advisors before making this election.

Election to Use Original Discount Method with Respect to a Bond

The holder of a Series 2021A Bond may elect to treat all interest on the Series 2021A Bond as original issue discount and calculate the amount includable in gross income under the constant yield method described above. For the purposes of this election, interest includes stated interest, acquisition discount, original issue discount, *de minimis* original issue discount, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortizable bond premium or acquisition premium. The holder must make this election for the taxable year in which the Series 2021A Bond is acquired and may not revoke the election without the consent of the Internal Revenue Service. Holders of Bonds should consult with their own tax advisors about this election.

Medicare Tax

Interest income from the Series 2021A Bonds (including accrued original issue discount and market discount) and net gain realized on the sale or other disposition of property such as the Series 2021A Bonds generally must be taken into account when computing the 3.8% Medicare tax with respect to net investment income or undistributed net income, as applicable, imposed on certain high income individuals and specified trusts and estates.

United States Federal Backup Withholding and Information Reporting

In general, information reporting requirements apply with respect to payments to certain non-corporate United States holders of interest and original issue discount on, and payments to such holder of the proceeds of the sale, exchange, redemption, retirement or other disposition of a Bond. If a United States holder of a Series 2021A Bond (other than a corporation or other specified exempt entity) fails to satisfy applicable information reporting requirements imposed by the Code, payments to such holder will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax equal to 24% of the payments. In general, the information reporting requirements (where applicable) are satisfied if the holder completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification." Backup withholding should not occur if a holder purchases a Series 2021A Bond through a brokerage account with respect to which a Form W-9 has been provided, as generally can be expected. Any amounts withheld pursuant to backup withholding would be subject to recovery by the holder through proper refund or credit.

Foreign Investors

Subject to the discussion in the following paragraph, payments with respect to the Series 2021A Bonds to a non-United States holder that has no connection with the United States other than holding its Bonds generally will be exempt from United States income tax and will be made free of withholding tax, as long as that holder has complied with certain tax identification and certification requirements. Non-United States holders should consult their tax advisors regarding the possible United States income tax implications of their ownership and disposition of the Series 2021A Bonds.

Sections 1471 through 1474 of the Code and related federal income tax guidance, collectively referred to as FATCA, generally impose United States federal withholding tax at a rate of 30% on certain types of payments to certain foreign entities, unless various information reporting and diligence requirements are satisfied. This tax generally would apply in the case of Bonds held through foreign financial institutions that do not satisfy such requirements. Generally, the 30% United States federal withholding tax under FATCA will apply to United States-source interest (such as interest and original issue discount on the Series 2021A Bonds) and, under current guidance, would apply to certain "passthru" payments no earlier than the date that is two years after publication of final regulations defining the term "foreign passthru payments." Non-United States holders should consult their tax advisors regarding the possible implications of FATCA on their ownership and disposition of the Series 2021A Bonds.

Legislative Developments

Legislative proposals proposed after issuance and delivery of the Series 2021A Bonds could adversely affect the market value of the Series 2021A Bonds. Further, if enacted into law, any such legislation could cause the interest on the Series 2021A Bonds to be subject, directly or indirectly, to state income taxation and could otherwise alter or amend one or more of the provisions of federal or state tax law described above or their consequences, as applicable. Prospective purchasers of the Series 2021A Bonds should consult with their tax advisors as to the status and potential effect of any legislative proposals, as to which Bond Counsel expresses no opinion.

NO LITIGATION AFFECTING THE SERIES 2021A BONDS

There is no litigation pending or, to the knowledge of the Department, threatened, questioning the existence of the Department or the MAA, the validity of the Series 2021A Bonds or the Trust Agreement, or any proceedings of the Department taken with respect to the issuance or sale thereof, or seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2021A Bonds.

UNDERWRITING

The Series 2021A Bonds are being purchased by Citigroup Global Markets Inc., BofA Securities, Inc. and UBS Financial Services Inc. (collectively, the "Underwriters"). The

Underwriters have agreed to purchase the Series 2021A Bonds at the initial offering prices set forth on the cover page of this Official Statement less the Underwriters' discount of $456,565.78.

The initial offering prices set forth on the cover of this Official Statement may be changed from time to time by the Underwriters.

The Underwriters may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts, certain of which may be sponsored or managed by an Underwriter) and others at prices lower than the offering prices set forth on the cover page hereof.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services.

Citigroup Global Markets Inc., an Underwriter of the Series 2021A Bonds, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, "Fidelity"). Under this distribution agreement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors at the original issue price through Fidelity. As part of this arrangement, Citigroup Global Markets Inc. will compensate Fidelity for its selling efforts.

BofA Securities, Inc., an Underwriter of the Series 2021A Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Series 2021A Bonds.

UBS Financial Services Inc. ("UBS FSI"), an Underwriter of the Series 2021A Bonds, has entered into a distribution and service agreement with its affiliate UBS Securities LLC ("UBS Securities") for the distribution of certain municipal securities offerings, including the Series 2021A Bonds. Pursuant to such agreement, UBS FSI will share a portion of its underwriting compensation with respect to the Series 2021A Bonds with UBS Securities. UBS FSI and UBS Securities are each subsidiaries of UBS Group AG.

In the ordinary course of its various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and instruments of the Department (directly, as collateral securing other obligations or otherwise) and persons and entities with relationships with the Department. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long or short positions in such assets, securities and instruments.

FINANCIAL ADVISORS

PFM Financial Advisors, LLC and People First Financial Advisors have been retained as financial advisors to the Department in connection with the issuance of the Series 2021A Bonds and other matters pertinent thereto.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Robert Thomas, CPA, LLC (the “Verification Agent”) will verify the mathematical accuracy of (a) the mathematical computations of the adequacy of the funds held in the Escrow Deposit Fund to pay the principal, interest and redemption price coming due on the Refunded Bonds, and (b) certain yield calculations relating to the Refunded Bonds.

RATINGS

Moody’s Investors Service, Inc. and Fitch Ratings have assigned ratings to the Series 2021A Bonds of “A1” and “A”, respectively. Any explanation of the significance of each of the ratings of the Series 2021A Bonds may be obtained from the rating agency furnishing the same. There is no assurance that such ratings will be obtained for any given period of time or that they may not be lowered or withdrawn entirely by such rating agencies, or any of them, if in their or its judgment, circumstances so warrant. Any such downward change in or withdrawal of such ratings, or any of them, may have an adverse effect on the market price of the respective Bonds.

LEGAL MATTERS

McKennon Shelton & Henn LLP, Baltimore, Maryland, is acting as Bond Counsel to the Department (“Bond Counsel”) in connection with the issuance of the Series 2021A Bonds. The proposed form of the approving opinion of Bond Counsel are included in Appendix B. Certain legal matters will be passed upon for the Underwriters by their counsel, McGuireWoods LLP, for the Department by an Assistant Attorney General and Principal Counsel to the Department, and for the MAA by an Assistant Attorney General and Principal Counsel to the MAA.

CONTINUING DISCLOSURE

In accordance with Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission, the Department will execute and deliver, on or before the date of issuance and delivery of the Series 2021A Bonds, a Continuing Disclosure Agreement, the form of which is attached as Appendix C.

The Department believes it has complied in all material respects with its obligations under its existing Continuing Disclosure Agreements executed pursuant to Rule 15c2-12 during the last five years; however, the Department acknowledges that during such period, certain financial information, while publicly available and filed with EMMA and linked to CUSIPs assigned to the Department’s outstanding bonds on EMMA, in some limited cases were not properly linked to certain outstanding CUSIPs on EMMA at the time of filing. The Department believes it has taken corrective action to properly link all such informational filings with all relevant CUSIPs and has implemented procedures designed to assure proper linkage of filings in the future.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion, forecasts or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact. No representation is made by the Department, the Department or the MAA that any of the opinions, forecasts or estimates will be realized. This Official Statement is not intended to be construed as a contract or agreement between the Department and any purchaser or owner of any of the Series 2021A Bonds.

The Trustee has not participated in the preparation of this Official Statement.

Copies of the Trust Agreement and other agreements described in this Official Statement may be obtained upon written request from the Secretary.

The attached Appendices are integral parts of this Official Statement and should be read in their entirety together with all of the foregoing information.

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The execution and delivery of this Official Statement has been duly authorized by the Department.

MARYLAND DEPARTMENT OF TRANSPORTATION

By: /s/ Gregory Slater
Gregory Slater
Secretary of Transportation of Maryland

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APPENDIX A

TRUST AGREEMENT

by and between

MARYLAND DEPARTMENT OF TRANSPORTATION

and

ZIONS BANCORPORATION, NATIONAL ASSOCIATION

Dated as of February 1, 2021

$219,880,000
Maryland Department of Transportation
Special Transportation Project Refunding Revenue Bonds
(Baltimore/Washington International Thurgood Marshall Airport)
Series 2021A (Federally Taxable)

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TRUST AGREEMENT

THIS TRUST AGREEMENT, dated as of February 1, 2021 (this "Trust Agreement," as defined herein) and effective from the time of execution and delivery between the parties, is by and between **MARYLAND DEPARTMENT OF TRANSPORTATION** (the "Department"), and Zions Bancorporation, National Association, a national banking association (the "Trustee").

RECITALS

The Department is authorized pursuant to Section 3-601 through 3-607 of the Transportation Article of the Annotated Code of Maryland, as amended (the "Enabling Legislation," as defined herein), to issue special transportation project revenue bonds for the purpose of financing and refinancing all or any part of the costs of transportation facilities (as defined in Section 3-101 of the Transportation Article of the Annotated Code of Maryland, as amended) 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 to secure such revenue bonds.

The Department has determined to issue its revenue bonds for the purpose of refunding certain outstanding revenue bonds previously issued by the Maryland Transportation Authority (the "Authority") and the Maryland Economic Development Corporation ("MEDCO") (collectively, the "Refunded Bonds," as defined herein) to pay certain costs of Airport Facilities (as defined herein) for the Baltimore/Washington International Thurgood Marshall Airport ("BWI Marshall Airport"), thereby allowing the Department to terminate the respective leasehold interests of the Authority and MEDCO in property located at BWI Marshall Airport. By a resolution of the Secretary of Transportation dated as of February 2, 2021, the Department has authorized the issuance of its revenue bonds (the "Series 2021A Bonds," as defined herein) for the purpose of refunding the Refunded Bonds and by a resolution adopted by the Maryland Board of Public Works (the "Board") on November 18, 2020, the Board approved the sale of the Series 2021A Bonds.

The Bonds (defined herein) shall be limited obligations of the Department payable solely from the Pledged Revenues (defined herein). None of the State of Maryland (the "State"), the Department, the Maryland Aviation Administration (the "MAA") or any political subdivision of the State shall be obligated to pay the Bonds or the interest thereon except from the Pledged Revenues, and neither the faith and credit nor the taxing power of the State or any political subdivision of the State is pledged to the payment of the Bonds or the interest thereon. The issuance of the Bonds shall not directly or indirectly or contingently obligate the State, the Department, the MAA or any political subdivision of the State to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment.

All Bonds issued from time to time under this Trust Agreement will be, except as otherwise expressly provided herein, equally and ratably secured to the extent provided herein by a pledge and assignment of the Trust Estate (defined herein) to the extent provided herein.

All things necessary to make the Series 2021A Bonds, when authenticated by the Trustee and issued in accordance with this Trust Agreement, the legal, valid and binding obligations of the Department according to the import thereof, and to constitute this Trust Agreement a valid assignment and pledge of the Trust Estate, have been done and performed, and the creation, execution and delivery of this Trust Agreement, and the creation, execution and issuance of the Series 2021A Bonds, subject to the terms hereof, have in all respects been duly authorized.

GRANTING CLAUSES

The Department, 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 Department of all the covenants expressed or implied herein and in the Bonds, for the equal and ratable benefit (to the extent herein provided) 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 Department in and to the Pledged Revenues; and

(b) all of the right, title and interest of the Department in and to any money and securities from time to time on deposit in the Pledged Funds (defined herein) 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 Department 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; *provided,* however, that notwithstanding the foregoing, the funds and accounts established for particular Bonds shall not secure any other Bonds and *provided* further that funds and accounts established solely for Tax-Exempt Bonds (defined herein) shall not secure any Bonds that do not constitute Tax-Exempt Bonds;

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 (to the extent herein provided), 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 Department 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 IX, 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 IX, the lien of this Trust Agreement shall be discharged and satisfied and shall be null and void; otherwise, this Trust Agreement is to be and remain in full force and effect.

All Bonds secured hereunder are to be issued and all such property, rights and interests, including (without limitation) the amounts hereby assigned and pledged, are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Department 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 5.01):

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.01. Definitions.

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

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

"Additional Facilities" means any Airport Facilities that are financed or refinanced with proceeds of any Additional Bonds.

"Administrative Expenses" means any expenditures reasonably and necessarily incurred by the Department by reason of its issuance and administration of any Bonds and the performance of its obligations under this Trust Agreement, including (without limitation) fees and expenses of the Trustee (whether as Trustee, paying agent or registrar for the Bonds), not otherwise paid or provided for, legal, financing and administrative expense and fees and expenses of the Department's financial advisor.

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

"Airport Consultant" means LeighFisher Inc. or any other independent consulting firm having a favorable reputation for skill and experience with respect to the design, construction and operation of airport transportation facilities or the determination of the economic feasibility of such facilities, which is designated and retained by the Department to perform the activities required by this Trust Agreement to be performed by the Airport Consultant.

"Airport Facilities" means has the meaning set forth in Section 5-101 of the Transportation Article of the Annotated Code of Maryland, as amended.

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

"Authority" means Maryland Transportation Authority, a body politic and corporate organized and existing under the laws of the State of Maryland, and its successors and assigns.

"Authorized Denomination" means (i) when used with respect to any Series 2021A Bond, $5,000 or any integral multiple thereof, and (ii) when used with respect to any Additional Bond, any denomination in which such Additional Bond is authorized to be outstanding from time to time as specified in the Supplemental Trust Agreement authorizing such Additional Bond.

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

"Bond" or **"Bonds"** means the Series 2021A Bonds and any Additional Bonds, collectively.

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

"Bond Year" means the twelve-month period ending on August 1 of each calendar year.

"Business Day" means a day other than a (i) Saturday, Sunday or legal holiday in the State, (ii) a day on which banking institutions in the State 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.

"**BWI Marshall Airport**" means the Baltimore/Washington International Thurgood Marshall Airport located in Anne Arundel County, Maryland.

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

“CFC” means the customer facility charge charged and collected by each operator of a rental car business from its rental car customers on behalf of the MAA for each 24-hour period or fraction thereof that an auto is rented under a rental agreement entered into at BWI Marshall Airport or Martin State Airport, or elsewhere with the pick-up at BWI Marshall Airport or Martin State Airport, pursuant to a Lease and Concession Contract to Establish and Operate a Non-Exclusive On-Airport Rental Auto Concession at Baltimore/Washington International Airport, or other similar agreement between such operator and the MAA, as amended and supplemented, and any Contingent Rent (as defined in such agreement) or similar charge payable under such agreement.

“CFC Bonds” means the Maryland Transportation Authority Taxable Limited Obligation Revenue Bonds Baltimore/Washington International Airport Consolidated Rental Car Facility Series 2002 and any other obligations payable from CFC Revenues.

“CFC Revenues” means amounts held under any trust agreement or similar agreement pursuant to which any obligations under which any bonds, notes or other obligations that are payable from CFCs are issued, revenues derived from the collection of CFCs, and income earned from the investment thereof.

“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.

“Cost” means, when used with respect, to the Project or any Additional Facilities, includes the cost of and all expenses incident to the construction, reconstruction, acquisition, improvement, extension, alteration, modernization, planning, maintenance, and repair of the facility, including the cost and expenses of (a) all property acquired in connection with it; (b) financial, architectural, consulting, engineering, and legal services; (c) plans, specifications, surveys, estimates, feasibility reports, and direct and indirect labor, material, equipment, and administrative expenses; and (d) financing the Project or such Additional Facilities, respectively, including financing charges and interest before, during, and for up to one year after completion of construction.

“Credit Facility” means any letter of credit, bond insurance policy, bond purchase agreement, guaranty, line of credit, surety bond or similar credit or liquidity facility securing any Bond or held to the credit of any fund or account created by this Trust Agreement. When used with reference to any Bonds, “Credit Facility” means any Credit Facility securing such Bonds.

“Credit Facility Agreement” means the agreement, if any, pursuant to which any Credit Facility is issued. When used with reference to any Bonds, “Credit Facility Agreement” means the Credit Facility Agreement under which any Credit Facility securing such Bonds shall have been issued.

“Credit Facility Provider” means the issuer of any Credit Facility then in effect. When used with reference to any Bonds, “Credit Facility Provider” means the provider of any Credit Facility securing such Bonds.

“Debt Service Requirements” means, when used with respect to any Bonds or Other Obligations for any Bond Year, as of any particular date of calculation, the amount required to pay the sum of (1) the interest on such Bonds or Other Obligations payable during such Bond Year and (2) the principal of, the Sinking Fund Installment for and any other amount required to effect any mandatory redemption of such Bonds or Other Obligations, if any, during such Bond Year, less any amount of such interest or principal for the payment of which money or Permitted Investments, the principal of and interest on which when due will provide for such payment, are held in trust, including (without limitation) any accrued interest and capitalized interest on deposit in any Bond Fund or any Construction Fund. For the purpose of calculating the Debt Service Requirements:

(a) with respect to any Variable Rate Indebtedness:

(i) for the purpose of calculating (A) the Debt Service Reserve Fund Requirement, (B) the tests required in connection with the issuance of Additional Bonds under clauses (v), (vi) or (vii) of Section 2.04 hereof and (C) the principal amount of any such Indebtedness constituting Balloon Debt payable in any Bond Year described in clause (b) below, such Indebtedness shall be deemed to bear interest at the fixed rate that it would have borne had it been issued at a fixed rate for the term thereof, as evidenced by a certificate of an investment banking firm or financial advisor knowledgeable in financial matters relating to the Facilities satisfactory to the Department, who may be, without limitation, the financial advisor to the Department, confirming such interest rate assumption as reasonable, *provided* that if the Department shall have entered into any cap, swap or other hedging arrangement with an entity rated in one of the three highest Rating Categories by a Rating Agency (each, a "Qualified Hedging Transaction") identified in the records of the Department with respect to such Indebtedness, at the option of the Department, such Indebtedness shall be deemed to bear interest at the rate payable by the Department under such Qualified Hedging Transaction;

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

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

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

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

"Debt Service Reserve Fund" means, individually, the 2021A Debt Service Reserve Fund created under Section 4.01(a) hereof and maintained for the Series 2021A Bonds and any fund so designated which is created pursuant a Supplemental Trust Agreement in accordance with Section 4.01(b) hereof.

"Debt Service Reserve Fund Credit Facility" means any Credit Facility held to the credit of a Debt Service Reserve Fund.

"Debt Service Reserve Fund Requirement" means when used with respect to (a) the Series 2021A Bonds and any other Series of Bonds secured by the 2021A Debt Service Reserve Fund or such Debt Service Reserve Fund, as of any particular date of computation, an amount equal to the least of (i) 10% of the proceeds of the Bonds secured thereby, (ii) Maximum Annual Debt Service on all outstanding Bonds secured thereby, or (iii) 125% of the average annual debt service requirements of all Bonds secured thereby and (b) when used with respect to any other Series of Bonds or the Debt Service Reserve Fund, if any, maintained for such Bonds, such amount as shall be established in the Supplemental Trust Agreement authorizing the issuance of such Bonds.

"Department" means Maryland Department of Transportation, an agency of the State of Maryland, and its successors and assigns.

"Department Representative" means the Secretary of Transportation, the Deputy Secretary of Transportation, or the Chief Financial Officer of the Department or any other person authorized by the Secretary of Transportation to act on behalf of the Department under or with respect to this Trust Agreement by written certificate executed by the Secretary of Transportation and delivered to the Trustee.

"Designated Office" means, when used with respect to the Trustee, the corporate trust office designated as such by the Trustee.

"Enabling Legislation" means Sections 3-601 through 3-607 of the Transportation Article of the Annotated Code of Maryland, as amended, and any other provision of law authorizing the issuance of bonds, notes or other evidences of obligation of the Department to finance Airport Facilities, and all future acts supplemental to or amendatory of any of the foregoing.

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

"Event of Default" means any event of default specified in Section 7.01.

"Facilities" means the land, building, machinery, equipment, hardware, inventory or other real or tangible personal property or any interest therein owned by the Department, the Authority or the MAA that is located at or used in connection with the BWI Marshall Airport or Martin State Airport.

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

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

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

"Indebtedness" means any indebtedness or liability for borrowed money, any installment sale obligation or any obligation under any lease that is capitalized under Generally Accepted Accounting Principles, including (without limitation) any of the foregoing the payment of which is subordinate to the Bonds, to the extent that any of the foregoing is payable from the Pledged Revenues, excluding any CFC Bonds and PFC Bonds.

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

"Interest Payment Date" means, with respect to the Series 2021A Bonds, February 1 and August 1 of each year commencing August 1, 2021, and with respect to any Additional Bonds, the dates established as Interest Payment Dates in the Supplemental Trust Agreement authorizing such Additional Bonds.

"Investment Income" means interest earnings and net profits realized on the Pledged Funds.

"MAA" means Maryland Aviation Administration, an agency of the State of Maryland and a business unit of the Department, and its successors and assigns.

“Martin State Airport” means Martin State Airport located in Baltimore County, Maryland.

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

“Net Pledged Revenues” means, when used with respect to any Bond Year, the total amount of the Pledged Revenues for such Bond Year, less the amount of Operating Expenses.

“Operating Expenses” mean all expenses of the MAA directly or indirectly attributable to the ownership or operation of the Facilities and payable as operating expenses of the Facilities, without regard to the treatment of such expenses under Generally Accepted Accounting Principles, including (without limitation): reasonable expenses of administration, operation, maintenance and repair, which may include expenses not annually recurring, costs of billing and collecting rates, fees, charges and other amounts arising from or in connection with the BWI Marshall Airport or Martin State Airport; insurance and surety bond premiums; fees and payments for any Credit Facility; legal, engineering and auditing expenses; expenses and compensation of the Trustee (other than any of the foregoing expenses that are payable from PFC Revenues or CFC Revenues); debt service on any Indebtedness; depreciation; amortization; and expenditures that the Department elects to capitalize. For the purpose of determining the amount of the Net Pledged Revenues for any Bond Year, Operating Expenses shall be reduced by the amount of any funds that the Department is legally entitled to receive from the United States government or any instrumentality or agency thereof, such as Coronavirus Aid, Relief, and Economic Security (CARES) Act, funds that are properly allocated to BWI Marshall Airport or Martin State Airport that are applied to the payment of any Operating Expenses.

“Operating Revenues” means all receipts, revenues, rentals, income, insurance proceeds and other money received by or on behalf of the MAA, including (without limitation) revenues derived from the ownership, operation or leasing of any of the Facilities, excluding CFC Revenues and PFC Revenues.

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

“Other Obligations” means all of the following Indebtedness other than Bonds incurred or assumed by the Department and payable under any circumstances from the Pledged Revenues:

(i) any obligation for the payment of principal and interest with respect to money borrowed for an original term, or renewable at the option of the Department for a period from the date originally incurred, longer than one year;

(ii) any obligation for the payment of money under leases any obligation for the payment of money under leases under which (i) ownership of the leased property vests in the lessee at the end of the lease term, (ii) the lessee has the option to purchase the leased property at a price below fair market value, (iii) the lease term is equal to or greater than 75% of the estimated economic life of the leased property, or (iv) the present value of the rental and other minimum lease payments equals or exceeds 90% of the fair market value of the leased property;

(iii) any obligation for the payment of money under installment purchase contracts having an original term in excess of one year; and

(iv) at the election of the Department, any obligation having an original term of one year or less that is intended to be refinanced at maturity.

For the avoidance of doubt, the term "Other Obligations" includes obligations described in clause (i), (ii), (iii) or (iv) above the payment of which is subject to annual appropriation.

"Outstanding" or **"outstanding"** means, (a) when used with reference to Bonds as of any particular date, all Bonds authenticated and delivered under this Trust Agreement except (i) any Bond cancelled by the Trustee (or delivered to the Trustee for cancellation) at or before such date, (ii) any Bond for the payment of the principal or Redemption Price of and interest on which provision shall have been made as provided in Section 9.01 and (iii) any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered pursuant to Article II, Article III or Section 8.04; and (b) when used with reference to any other Indebtedness or obligation of the Department, all Indebtedness theretofore issued or incurred other than any such Indebtedness that is deemed to have been paid and discharged under Generally Accepted Accounting Principles and that is not secured by the Pledged Revenues.

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

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

(a) Government Obligations;

(b) Agency Obligations;

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

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

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

(f) any other obligations issued by or on behalf of any state of the United States of America or any political subdivision thereof, *provided* that such obligations, or other obligations of the issuer thereof of comparable maturities that are secured equally and ratably with such obligations, shall be rated by a Rating Agency in one of its two highest long-term Rating Categories;

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

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

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

"PFC" means the passenger facility charge approved by the Federal Aviation Administration and imposed at BWI Marshall Airport or Martin State Airport.

"PFC Bonds" means, collectively, (i) the Maryland Transportation Authority Passenger Facility Charge Revenue Bonds Series 2019 Baltimore/Washington International Thurgood Marshall Airport (Qualified Airport Bonds - AMT), (ii) the Maryland Transportation Authority Passenger Facility Charge Revenue Bonds, Series 2014 Baltimore/Washington International Thurgood Marshall Airport (Qualified Airport Bonds - AMT), (iii) the Maryland Transportation Authority Passenger Facility Charge Revenue Bonds, Series 2012A Baltimore/Washington International Thurgood Marshall Airport (Qualified Airport Bonds - AMT), (iv) the Maryland Transportation Authority Passenger Facility Charge Revenue Bonds, Series 2012B Baltimore/Washington International Thurgood Marshall Airport (Qualified Airport Bonds - AMT), (v) the Maryland Transportation Authority Variable Rate

Passenger Facility Charge Revenue Bonds, Series 2012C Baltimore/Washington International Thurgood Marshall Airport (Qualified Airport Bonds - AMT) and any other obligations payable from PFC Revenues.

"PFC Revenues" means amounts held under any trust agreement or similar agreement pursuant to which any obligations under which any bonds, notes or other obligations that are payable from PFCs are issued and revenues derived from the collection of PFCs and income earned from the investment thereof.

"Pledged Funds" means amounts on deposit in the Pledged Revenue Fund, and each Bond Fund, Debt Service Reserve Fund, Redemption Fund or other similar fund created under this Trust Agreement or any Supplemental Trust Agreement.

"Pledged Revenues" means Operating Revenues and Investment Income.

"Rate Covenant" has the meaning set forth in Section 5.03 hereof.

"Rating Agency" means Fitch Ratings, Moody's Investors Service, Inc., S&P Global Ratings or any other securities rating agency that, at the request of the Department, shall have assigned a rating that is then in effect with respect to any Bonds, and their successors and assigns, and "**Rating Agencies**" means each such Rating Agency, collectively.

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

"Record Date" means, when used with respect to the Series 2021A Bonds, or any Additional Bonds, except as otherwise provided in the Supplemental Trust Agreement authorizing the issuance of such Additional Bonds, means the fifteenth day of the calendar month preceding each Interest Payment Date or, if there is a default in the payment of interest due on such Bonds, a subsequent date fixed by the Trustee that is at least 10 and not more than 15 days before the date set for the payment of such defaulted interest.

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

"Refunded Bonds" means, collectively, (i) the Maryland Transportation Authority Airport Parking Revenue Refunding Bonds, Series 2012A, Baltimore/Washington International Thurgood Marshall Airport Projects (General Governmental Purpose Bonds), (ii) the Maryland Transportation Authority Airport Parking Revenue Refunding Bonds, Series 2012B, Baltimore/Washington International Thurgood Marshall Airport Projects (Qualified Airport Bonds – AMT) and (iii) the Maryland Economic Development Corporation Lease Revenue Refunding Bonds (Maryland Aviation Administration Facilities), 2012 Series (Taxable).

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

"Series" means any series of Bonds authorized by this Trust Agreement.

"Series 2021A Bonds" means the Maryland Department of Transportation Special Transportation Project Refunding Revenue Bonds (Baltimore/Washington International Thurgood Marshall Airport), Series 2021A (Federally Taxable).

"Sinking Fund Installment" means the amount of money provided in this Trust Agreement, and in each Supplemental Trust Agreement authorizing any Series of Additional Bonds to redeem Bonds of such Series required to be redeemed prior to the maturity thereof at the times and in the amounts provided in this Trust Agreement or such Supplemental Trust Agreement, respectively.

"State" means the State of Maryland.

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

"Tax-Exempt Bond" means any Bonds with respect to which there shall have been delivered to the Department an opinion of Bond Counsel to the effect that the interest on such Bonds is excludable from gross income for federal income tax purposes.

"Transportation Trust Fund" means the Transportation Trust Fund created under Section 3-216 of the Transportation Article of the Annotated Code of Maryland, as amended.

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

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

"Trustee" means Zions Bancorporation, National Association, a national banking association, and any other corporation that may at any time be substituted in its place pursuant to this Trust Agreement, and their successors.

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

"2021 Project" means the construction of an expansion of the passenger terminal at BWI Marshall Airport to accommodate a passenger connector between Concourses A and B, an expanded and improved baggage handling system, and other BWI Marshall Airport terminal development.

Section 1.02. Rules of Construction.

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

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

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

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

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

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

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

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

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

(i) During any period in which no Credit Facility is in effect and all amounts payable to each Credit Facility Provider, if any, have been paid, the provisions of this Trust Agreement that relate to the Credit Facility and the Credit Facility Provider shall be of no force and effect.

ARTICLE II

AUTHORIZATION AND DETAILS OF THE SERIES 2021A BONDS ADDITIONAL BONDS

Section 2.01. Bonds Authorized.

There is hereby authorized the issuance under this Trust Agreement of a Series of Bonds designated "Maryland Department of Transportation Special Transportation Project Refunding Revenue Bonds (Baltimore/Washington International Thurgood Marshall Airport), Series 2021A (Federally Taxable)" in the aggregate principal amount of Two Hundred Nineteen Million Eight Hundred Eighty Thousand Dollars ($219,880,000). The aggregate principal amount of Bonds that may be issued under this Trust Agreement is not limited except as provided by this Trust Agreement.

Section 2.02. Details of Bonds.

The Series 2021A Bonds shall be issued as fully registered bonds, shall bear interest at the rates of interest per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) set forth below and shall mature on August 1 in each of the years and in amounts as follows:

Year	Principal Amount	Interest Rate	Year	Principal Amount	Interest Rate
2023	$26,755,000	0.361%	2027	$27,460,000	1.253%
2024	26,855,000	0.526	2028	27,805,000	1.303
2025	26,995,000	0.806	2029	28,165,000	1.636
2026	27,215,000	0.906	2030	28,630,000	1.686

The Series 2021A Bonds are not subject to redemption prior to maturity, and shall otherwise have the terms, tenor, denominations, details and specifications as set forth in the form of Series 2021A Bonds included in Appendix A.

The Series 2021A Bonds shall be substantially in the form set forth in Appendix A, with such insertions, omissions and variations as may be deemed necessary or appropriate by the officers of the Department executing the same and as shall be permitted by the Enabling Legislation. The Department hereby adopts the form of Series 2021A Bond set forth in Appendix A and all of the covenants and conditions set forth therein, as and for the form of obligation to be incurred by the Department as the Series 2021A Bonds. The covenants and conditions set forth in the form of Series 2021A Bond are incorporated into this Trust Agreement by reference and shall be binding upon the Department as though set forth in full herein.

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

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

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

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

Section 2.03. Conditions Precedent to Delivery of Series 2021A Bonds.

The Series 2021A Bonds shall be executed by the Department and delivered to the Trustee, whereupon the Trustee shall authenticate the Series 2021A Bonds and, upon payment of the purchase price of such Bonds, shall deliver the Series 2021A Bonds upon the Order of the Department, but only upon delivery to the Trustee of each of the following:

(a) a counterpart of this Trust Agreement executed by the parties hereto;

(b) a Certificate of the Department directing the authentication and delivery of the Series 2021A Bonds, describing the Series 2021A Bonds to be authenticated and delivered, designating the purchaser to whom the Series 2021A Bonds are to be delivered, stating the purchase price of the Series 2021A Bonds, directing the deposit of the proceeds of the Series 2021A Bonds and the payment of any associated Administrative Expenses from the Construction Fund, and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the Department; and

(c) an Opinion of Bond Counsel to the effect that (i) this Trust Agreement has been duly authorized, executed and delivered by the Department and constitutes the valid and binding obligation of the Department; and (ii) the Department is duly authorized and entitled to issue the Series 2021A Bonds, and Series 2021A Bonds executed, authenticated and delivered as provided in this Trust Agreement have been duly and validly issued and constitute valid and binding limited obligations of the Department.

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

In addition to the Series 2021A Bonds, the Department is hereby authorized to issue, from time to time, Additional Bonds under and secured by this Trust Agreement, subject to the conditions provided in this Section, for any purpose for which indebtedness may be incurred by the Department under the Enabling Legislation, including (without limitation): (a) refinancing, refunding or advance refunding any Outstanding Indebtedness ("Refunding Purposes"), (b) obtaining funds necessary to pay the costs of extraordinary maintenance of or repairs or improvements to any Facilities, including (without limitation) repairs, replacements or improvements required as a result of any casualty or taking or other extraordinary occurrence or to meet the requirements of Applicable Law ("Extraordinary Maintenance Purposes"), (c) obtaining funds to pay the Cost of any Additional Facilities or (d) or obtaining funds to pay the Cost of completing any Additional Facilities ("Completion Purposes"). Additional Bonds may be issued to pay the costs incurred in connection with the issuance and sale of any Bonds, to establish reserves and to pay interest on any Bonds prior to and during acquisition and construction. The issuance of Additional Bonds shall be authorized by a Supplemental Trust Agreement.

Each Additional Bond shall be on parity with, and shall be entitled to the same benefit and security of this Trust Agreement as, the Series 2021A Bonds and any other Additional Bonds that may be issued from time to time, to the extent provided in this Section.

The Supplemental Trust Agreement authorizing the issuance of any Series of Additional Bonds shall specify the maturities and redemption provisions of such Additional Bonds, the form and denominations thereof and other details of such Additional Bonds. Without limiting the generality of the foregoing, Additional Bonds may constitute Variable Rate Indebtedness, Optional Tender Debt or Balloon Debt, as shall be determined by the Department in its discretion. Any Supplemental Trust Agreement authorizing the issuance of Additional Bonds shall provide for the creation of a separate Bond Fund for such Bonds if any principal of such Bonds becomes due on a date other than August 1 or the Interest Payment Dates on such Bonds are not February 1 and August 1 or if such Bonds constitute Tax-Exempt Bonds. The Department may provide for the creation of a separate Bond Fund, Debt Service Reserve Fund or Redemption Fund and other funds and accounts for any Series of Additional Bonds in other circumstances, as shall be deemed advisable by the Department. In any event, funds and accounts established for Tax-Exempt Bonds may not secure any Bonds that do not constitute Tax-Exempt Bonds.

The Supplemental Trust Agreement authorizing the issuance of any Additional Bonds shall provide for the deposit of Pledged Revenues in the Bond Fund and the Debt Service Reserve Fund, if any, maintained for such Bonds.

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

The Supplemental Trust Agreement authorizing the issuance of any Series of Additional Bonds may provide that proceeds realized under any Credit Facility securing the payment of such Additional Bonds shall not be available to pay the principal or Redemption Price of or interest on the Series 2021A Bonds or any other Series of Additional Bonds.

Any Supplemental Trust Agreement authorizing the issuance of Additional Bonds may provide that (i) such Series of Bonds shall be secured by a Debt Service Reserve Fund, including (without limitation) any Debt Service Reserve Fund then maintained for other Series of Bonds, or (ii) such Series of Additional Bonds shall not be secured by a Debt Service Reserve Fund.

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

The Supplemental Trust Agreement authorizing the issuance of any Additional Bonds shall (i) establish the amount of the Debt Service Reserve Fund Requirement, if any, for such Debt Service Reserve Fund, (ii) provide the period during which any deficiency shall be cured, (iii) contain provisions with respect to the issuance of any other Additional Bonds secured by such Debt Service Reserve Fund and (iv) provide such terms with respect to the valuation of such Debt Service Reserve Fund, the application of any earnings on or surpluses in such Debt Service Reserve Fund and any Credit Facilities held to the credit of such Debt Service Reserve Fund (which may be different from those described herein) as the Department shall deem appropriate, any other provision of this Trust Agreement to the contrary notwithstanding.

Additional Bonds shall be executed by the Department and delivered to the Trustee, whereupon the Trustee shall authenticate and deliver such Additional Bonds upon the Order of the Department, but only upon receipt by the Trustee of the purchase price of such Additional Bonds and each of the following:

(i) a counterpart of the Supplemental Trust Agreement authorizing such Additional Bonds, executed by the parties thereto;

(ii) an Order of the Department directing the authentication and delivery of such Additional Bonds, describing such Additional Bonds, designating the purchaser of such Additional Bonds, stating the purchase price of such Additional Bonds and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the Department;

(iii) an Opinion of Bond Counsel to the effect that (A) the Supplemental Trust Agreement authorizing such Additional Bonds has been duly authorized, executed and delivered by the Department and constitutes the valid and binding obligation of the Department; (B) the Department is duly authorized and entitled to issue such Additional Bonds and Additional Bonds executed, authenticated and delivered as provided in this Trust Agreement and such Supplemental Trust Agreement have been duly and validly issued and constitute valid and binding limited obligations of the Department; and (C) the issuance of such Additional Bonds will not adversely affect the excludability from gross income, for federal income tax purposes, of interest paid on any Tax-Exempt Bonds theretofore issued;

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

(v) if such Additional Bonds are issued or incurred for Completion Purposes or Extraordinary Maintenance Purposes, unless the Department meets the requirements of clause (vii) below (A) a Report of an Airport Consultant to the effect that the amount of the estimated Net Pledged Revenues for each of the three full Bond Years following the date on which the proceeds of such Additional Bonds are expected to have been fully applied is projected to be not less than the Debt Service Requirements of all Outstanding Bonds and Other Obligations as of the last day of each such Bond Year and (B) a Report of an Engineer to the effect that the proceeds of such Additional Bonds do not exceed the amount necessary to accomplish the intended Completion Purpose or Extraordinary Maintenance Purpose, respectively; or (C) in the case of Additional Bonds issued for Completion Purposes, a Certificate of the Department to the effect that the aggregate principal amount of such Additional Bonds is not greater than 10% of the aggregate principal amount of the Bonds issued to finance the Facilities to be completed with proceeds of such Additional Bonds;

(vi) if Additional Bonds are issued or incurred for Refunding Purposes, unless the Department meets the requirements of clause (vii) below, a Certificate of the Department to the effect that the Maximum Annual Debt Service on Outstanding Bonds, assuming such Additional Bonds are issued and the Indebtedness to be refinanced or refunded is no longer outstanding, will not be increased as a result of the issuance of such Additional Bonds;

(vii) unless the Department meets the requirements of clause (v) or (vi) above, a Certificate of the Department to the effect that (A) the amount of the Net Pledged Revenues received by the Department in the most recent Bond Year was not less than the sum of (1) 125% of the Maximum Annual Debt Service Requirements of Outstanding Bonds taking into account the Additional Bonds to be issued and (2) 100% of the Debt Service Requirements of all outstanding Other Obligations for such Bond Year or (B) based on a Report an Airport Consultant, during each of the three Bond Years immediately succeeding the later of the date of delivery of such Additional Bonds and the date to which interest on such Additional Bonds has been funded, the estimated Net Pledged Revenues are projected to be not less than the sum of (1) 125% of the Debt Service Requirements of Outstanding Bonds for such Bond Year, taking into account the Additional Bonds then to be issued and Bonds expected to be issued for the

Completion Purposes of projects financed with such Additional Bonds, and (2) 100% of the Debt Service Requirements of all other outstanding Other Obligations for such Bond Year; and

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

Additional Bonds may be authenticated, delivered and paid for in installments of less than the total authorized principal amount of a Series of Bonds from time to time as the Department may direct in its written requests. In the case of the Bonds issued in installments or tranches of Bonds or as draw-down bonds, the proceeds of which are to be received over a number of years to finance a project or series of projects (a "Program"), such as the 2021 Project, compliance with this Section may be determined at the time of issuance of any Series of Bonds issued to finance such Program, *provided* that the period over which such Additional Bonds are to be issued does not exceed three years and the aggregate principal amount of such Bonds is set forth in a Certificate of the Department or a Report of an Airport Consultant delivered to the Trustee in connection with the initial issuance of such Bonds, such as the Report of LeighFisher dated January 28, 2021.

Section 2.05. Payment of Bonds.

Except as otherwise provided in any Supplemental Trust Agreement, the principal or Redemption Price of and interest on, and the purchase price of, the Bonds shall be payable in lawful money of the United States of America.

While the Bonds are held under the book-entry system with a Securities Depository, the principal or Redemption Price of and interest on, and the purchase price of, the Bonds shall be payable in accordance with the procedures established by the Securities Depository. During any other period, the principal or Redemption Price of and interest on, and the purchase price of, the Bonds shall be payable to the persons in whose name such Bonds are registered on the registration books maintained by the Trustee as of the close of business on the Record Date for the payment of such interest, except as otherwise provided by the Supplemental Trust Agreement prior to the issuance thereof, *provided* that the final principal amount of any Bond shall be payable when due upon presentation and surrender of such Bond at the Designated Office of the Trustee.

Section 2.06. Execution and Authentication.

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

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

Section 2.07. Registration and Exchange of Bonds.

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

The Department shall cause books for registration and the registration of transfer of Bonds to be prepared. The registration books shall be kept by the Trustee.

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

Neither the Department nor the Trustee shall be required to register the transfer of any Bond or make any such exchange of any Bond (a) during the 15 days immediately preceding the date of mailing of any notice of redemption of such Bond or (b) after a notice of the redemption of such Bond or any portion thereof has been mailed, unless the transferee acknowledges in writing to the satisfaction of the Trustee the matters contained in such notice.

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

If any temporary or definitive Bond shall become mutilated or be destroyed, lost or stolen, the Department in its discretion may execute, and upon its request the Trustee 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 Department and to the Trustee (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 Department 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 Department or the Trustee.

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 Department 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 Department and the Trustee evidence to the satisfaction of the Department and the Trustee 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 Department, 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 for cancellation or purchased by the Trustee with amounts on deposit in any Bond Fund or Redemption Fund shall be cancelled by the Trustee and disposed of in accordance with the procedures of the Trustee for the disposition of cancelled securities in effect as of the date of such disposition. The Trustee shall deliver to the Department a certificate of any such disposition of any Bond, identifying the Bond so cancelled and disposed of.

Section 2.10. Book-Entry System.

The Bonds initially shall be maintained under a book-entry system.

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

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, on each date on which the principal or Redemption Price of or interest on, or the purchase price of, the Bonds becomes due. Such payments shall be made to the offices of the Securities Depository specified by the Securities Depository to the Department and the Trustee in writing. Without notice to or the consent of the beneficial owners of the Bonds ("Beneficial Owners"), the Department and the Securities Depository may agree in writing to make payments in a manner different from that set out herein. In such event, the Department 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

Department nor the Trustee shall have any obligation with respect to the transfer or crediting of the appropriate payments to any Participant or the Beneficial Owners of the Bonds or their nominees.

In the event that part but not all of any outstanding Bond is to be retired (by redemption, by acceleration or otherwise), the Securities Depository, in its discretion (i) may request the Trustee to authenticate and deliver a new Bond in accordance with Section 3.03 upon presentation and surrender of such Bond to the Trustee or (ii) shall make appropriate notation on the Bond certificate 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 Trustee.

So long as the Securities Depository or its nominee is the registered owner of the Bonds, the Department and the Trustee will recognize the Securities Depository or its nominee, respectively, as the holder of all of the Bonds for all purposes, including (without limitation) the payment of the principal or Redemption Price of and interest on, and the purchase price of, the Bonds, 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.

The Department, 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). A copy of any such notice shall be delivered promptly to the Trustee.

If the Department discontinues the maintenance of the Bonds under the book-entry system, the Department will issue 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 Department 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 Department in its discretion, that it will issue 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 Bonds are to be issued to Participants or to Beneficial Owners of the Bonds, the Department shall promptly have prepared Bonds in certificated form registered in the names of the Participants as shown on the records of the Securities Depository provided to the Trustee or, to the extent requested by any Participant, in the names of the Beneficial Owners of Bonds shown on the records of such Participant provided to the Trustee, as of the date set forth in the notice delivered in accordance with this paragraph.

If the Department replaces any Securities Depository as the depository for the Bonds with another qualified Securities Depository, the Department will issue to the replacement Securities Depository Bonds registered in the name of such replacement Securities Depository.

Each Securities Depository and the Participants and the Beneficial Owners of the Bonds, by their acceptance of the Bonds, agree that the Department 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 Department or the Trustee be liable for the failure of any Participant or other nominee of any Beneficial Owner of any Bonds to perform any obligation that such Participant or other nominee may incur to any Beneficial Owner of the Bonds.

ARTICLE III

REDEMPTION OF BONDS

Section 3.01. Selection of Bonds to Be Redeemed.

If fewer than all of the Bonds shall be called for redemption, the Department shall select the Series and maturities of the Bonds and, if Bonds of the same Series and maturing on the same date bear interest at different rates, the interest rates borne by the Bonds to be redeemed.

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

Section 3.02. Notice of Redemption.

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

Each notice of redemption of Bonds shall be given by the Trustee at least 20 days before the redemption date to the registered owners of the Bonds to be redeemed and in accordance with the terms of the Bonds and any directions of the Department, and shall set forth (i) the maturities of the Bonds to be redeemed, (ii) the date fixed for redemption, (iii) the CUSIP numbers of the Bonds to be redeemed, (iv) the Redemption Price to be paid, (v) that such Bonds will be redeemed at the Designated Office of the Trustee, (vi) if fewer than all of the Bonds of a Series of any one maturity then Outstanding shall be called for redemption, the distinctive numbers and letters, if any, of the Bonds to be redeemed, (vii) in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed, (viii) that the redemption of Bonds described therein is conditioned upon receipt by the Trustee, on or before the date fixed for redemption, of sufficient funds to pay the Redemption Price of the Bonds to be redeemed and any other conditions to such redemption, (ix) the provisions of this Trust Agreement or such Bonds (as the case may be) pursuant to which such redemption is to be effected, and (x) that on the redemption date, if all the conditions to such redemption have been met there shall become due and payable upon all Bonds to be redeemed the Redemption Price thereof, together with interest accrued to the date fixed for redemption, and that, from and after such date, interest thereon shall cease to accrue. If any Bond is to be redeemed in part only, the notice of redemption that relates to such Bond shall state also that on or after the date fixed for redemption, upon surrender of such Bond to the Trustee at its Designated Office, a new Bond or Bonds of the same Series and maturity, bearing interest at the same rate, and of any Authorized Denomination, will be issued in aggregate principal amount equal to the unredeemed portion of such Bond.

Each notice of redemption 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 Trustee and the Trustee 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 as provided in this Section, if on any date fixed for the redemption of any Bonds (other than any redemption from the Sinking Fund Installments) there shall not be on deposit with the Trustee or any Trustee sufficient funds for the payment of the Redemption Price of such Bonds, such redemption 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.

Section 3.03. Redemption of Portion of Bond.

In case part, but not all, of an Outstanding Bond shall be selected for redemption, upon the presentation and surrender of such Bond to the Trustee for payment of the principal amount thereof so called for redemption in accordance with such Bond, the Department shall execute and the Trustee shall authenticate and deliver to or upon the order of the Holder of such Bond or the Holder's attorney or legal representative, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond or Bonds of the same Series and maturity, bearing interest at the same rate and of any Authorized Denomination in aggregate principal amount equal to the unredeemed portion of such Bond.

Section 3.04. Series 2021A Bonds Not Subject to Redemption.

The Series 2021A Bonds are not subject to redemption prior to maturity.

Section 3.05. Redemption of Additional Bonds.

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

ARTICLE IV

PLEDGED REVENUES AND FUNDS

Section 4.01. Creation of Funds.

(a) The following funds are hereby created:

Pledged Revenue Fund
Construction Fund
Bond Fund
Debt Service Reserve Fund

Upon the direction of the Department Representative, there may also be created a Redemption Fund, a Rebate Fund and such other funds and accounts as the Department Representative shall specify. If any subordinate bonds are issued, the Trustee shall create one or more Subordinate Debt Funds in accordance with the Supplemental Trust Agreement authorizing the issuance thereof. All of such funds shall be held by the Trustee hereunder, separate from all other money of the Department or the Trustee. Pending the application of amounts on deposit in the Pledged Revenue Fund, such amounts are hereby pledged to the payment of all Outstanding Bonds, except as otherwise provided in any Supplemental Trust Agreement authorizing the issuance of any Additional Bonds in accordance with Section 2.04 with respect to such Additional Bonds. Pending the application of amounts on deposit in the Bond Fund, any Redemption Fund and any other funds and accounts created for any Bonds in accordance with this Trust Agreement, such amounts are hereby pledged to the payment of all Outstanding Bonds secured thereby that do not constitute Tax-Exempt Bonds, except as otherwise provided in any Supplemental Trust Agreement authorizing the issuance of any Additional Bonds in accordance with Section 2.04 with respect to such Additional Bonds.

(b) As provided in Section 2.04, any Supplemental Trust Agreement authorizing the issuance of any Additional Bonds may, and to the extent required by Section 2.04 shall, 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.

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

Section 4.02. Application of Proceeds of Bonds.

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

Upon the receipt of the proceeds of the Series 2021A Bonds, including accrued interest, if any, thereon, the Trustee shall deposit $21,988,000 of such proceeds in the 2021A Debt Service Reserve Fund and apply the balance of such proceeds in accordance with the Order of the Department directing the authentication and delivery of such Bonds in accordance with Section 2.03.

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

Section 4.03. Deposit of Pledged Revenues.

(a) The Department shall pay or cause to be paid to the Trustee the first Pledged Revenues received by or on behalf of the Department in each month until there shall have been deposited with the Trustee the total amount required to be transferred to the Bond Funds and any Debt Service Reserve Funds in such month in accordance with this section. The Pledged Revenues received by the Trustee shall be deposited upon receipt in the Pledged Revenue Fund.

(b) At such time as there shall have been deposited in the Pledged Revenue Fund the total amount required to be transferred to the Bond Funds in such month, amounts on deposit in the Pledged Revenue Fund shall be transferred *pro rata* among each of the accounts of the Bond Fund on the basis of the amounts required to be deposited in the respective Bond Funds in such month. Except as otherwise provided in the Supplemental Resolution authorizing the issuance of Additional Bonds with respect to such Bonds, the Trustee shall transfer from the Pledged Revenue Fund to each Bond Fund in each month the sum of:

(i) the lesser of (A) one-sixth (1/6) of the interest becoming due on the outstanding Bonds secured by such Bond Fund on the immediately succeeding Interest Payment Date, *provided,* however, that if there shall then be money on deposit in any fund or account created for the payment of interest on a Series of such Bonds during any specified period (a "Capitalized Interest Fund"), the monthly deposit to such Bond Fund shall be reduced by the amount on deposit in such Capitalized Interest Fund available for the payment of such Bonds on such Interest Payment Date and (B) such amount as shall be necessary to pay the interest due on such Bonds on the immediately succeeding Interest Payment Date, taking into account the amount to be transferred from such Capitalized Interest Fund on or before such Interest Payment Date;

(ii) the lesser of (A) one-twelfth (1/12) of the amount of any principal of the Bonds Outstanding secured by such Bond Fund becoming due on the immediately succeeding August 1 and (B) such amount as shall be necessary to pay the principal of such Bonds on the immediately succeeding August 1;

(iii) the lesser of (A) one-twelfth (1/12) of the amount of any Sinking Fund Installment for Outstanding Bonds secured by such Bond Fund becoming due on the immediately succeeding August 1 and (B) such amount as shall be necessary to pay the Sinking Fund Installment for such Bonds, if any, on the immediately succeeding August 1; and

(iv) any deficiency in the amount required to be deposited in such Bond Fund in any prior month in accordance with this subsection.

(c) After all of the transfers to the Bond Funds required by subsection (b) above, at such time as the amount on deposit in the Pledged Revenue Fund equals the total amount required to be transferred to the Debt Service Reserve Funds, if any, in such month, amounts on deposit in the Pledged Revenue Fund shall be transferred *pro rata* among each of the Debt Service Reserve Funds on the basis of the amounts required to be deposited in the respective Debt Service Reserve Funds in such month. Except as otherwise provided in the Supplemental Resolution authorizing the issuance of Additional Bonds with respect to such Bonds, the Trustee shall transfer from the Pledged Revenue Fund to each Debt Service Reserve Fund, if any, in each month, beginning on any date on which the Department receives notice of any deficiency in a Debt Service Reserve Fund, one-twelfth (1/12) of the amount of such deficiency until the amount credited to such Debt Service Reserve Fund equals the Debt Service Reserve Fund Requirement for such Debt Service Reserve Fund.

(d) Any amount on deposit in the Pledged Revenue Fund in any month after the transfers required by subsections (b) and (c) above shall be paid by the Trustee to the Department for application to the Transportation Trust Fund.

Section 4.04. Construction Funds.

(a) The Department shall pay from the Construction Fund created for any Series of Bonds the Administrative Expenses relating to the issuance of such Series of Bonds and not otherwise paid.

(b) Money deposited in the Construction Fund for any Series of Bonds shall be used only to finance or refinance the Costs of or relating to any Additional Facilities for which such Series of Bonds was issued or, in the case of any Bonds issued for Extraordinary Maintenance Purposes, costs of the extraordinary maintenance of or repairs or improvements to any Facilities, which Costs may include (without limitation) reimbursements to the MAA and the Department for such Costs and expenses paid by the Department or the MAA, respectively, in connection therewith, as are approved by the Department; or to refinance, refund or advance refund Outstanding Indebtedness.

(c) Payments pursuant to paragraphs (a) and (b) of this Section shall be made from the Construction Funds pursuant to Requisitions of the Department.

(d) As soon as practicable after the Completion Date of any Additional Facilities or the improvements to be financed with proceeds of Bonds issued for Extraordinary Maintenance Purposes, as certified by the Department in a Certificate of the Department delivered to the Trustee, the Trustee shall pay any balance remaining in such Construction Fund, less any amounts to be retained in such Construction Fund to pay any unpaid Costs of such Additional Facilities or the improvements to be financed with proceeds of Bonds issued for Extraordinary Maintenance Purposes, respectively, as certified by the Department, as follows and in the following order of priority:

FIRST: to the Debt Service Reserve Fund, if any, for such Series of Bonds, such amount as shall be necessary to make the amount credited to such Debt Service Reserve Fund equal the Debt Service Reserve Fund Requirement for such Series of Bonds; and

SECOND: to the Redemption Fund for such Series of Bonds or the Bond Fund for such Series of Bonds, as shall be directed by Order of the Department.

Section 4.05. Bond Funds.

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

(a) Interest. On each Interest Payment Date, from the Bond Fund maintained for the Bonds of such Series of Bonds, the Trustee shall pay the amount required to pay the interest due on the outstanding Bonds of such Series of Bonds on such date, which amount shall be applied by the Trustee to the payment of the interest due on such Bonds in accordance with the terms of such Bonds.

(b) Principal. On each date on which the principal of the Outstanding Bonds of a Series becomes due, from the Bond Fund maintained for the Bonds of such Series, the Trustee shall pay the amount required to pay the principal due on such Bonds on such date, which amount shall be applied by the Trustee to the payment of such principal in accordance with the terms of such Bonds.

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

(i) Subject to the provisions of paragraph (ii) below, prior to the due date for the payment of each Sinking Fund Installment for such Bonds, the Trustee shall call for redemption in accordance with Article III Outstanding Bonds of such Series subject to redemption from such Sinking Fund Installment in an aggregate principal amount equal to such Sinking Fund Installment, less the amount previously credited against such Sinking Fund Installment in accordance with paragraph (iii) below. On the date fixed for redemption of such Bonds, the Trustee shall pay from such Bond Fund an amount equal to the principal amount of such Bonds so called for redemption, which amount shall be applied by the Trustee to the payment of the Redemption Price of such Bonds in accordance with the terms of such Bonds.

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

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

(iv) If the aggregate principal amount of Bonds of any Series purchased or redeemed in any Bond Year is in excess of the Sinking Fund Installment due on such Bonds in such period, the Trustee shall credit the amount of such excess against subsequent Sinking Fund Installments for such Bonds as directed by a Certificate of the Department.

Section 4.06. Debt Service Reserve Funds.

If on any Interest Payment Date the amount in the Bond Fund maintained for any Series of Bonds shall be less than the amount of interest then due on the Outstanding Bonds of such Series, or if on any date on which the principal amount of any Outstanding Bonds of such Series becomes due the amount in the Bond Fund maintained for such Series of Bonds shall be less than the amount of the principal and the Sinking Fund Installment (either or both, as the case may be) then due on the Outstanding Bonds of such Series, the Trustee forthwith shall transfer money from the Debt Service Reserve Fund maintained for such Series of Bonds, if any, to the Bond Fund maintained for such Series of Bonds, to the extent necessary to make good any deficiency.

For the purposes of this Trust Agreement, in the case of any Debt Service Reserve Fund:

(a) a "deficiency" shall mean that the value of the assets of the Debt Service Reserve Fund, determined in accordance with Section 4.08, is less than the Debt Service Reserve Fund Requirement; and

(b) a "surplus" shall mean that the value of the assets of the Debt Service Reserve Fund, determined in accordance with Section 4.08, is in excess of the Debt Service Reserve Fund Requirement.

The Trustee shall determine the value of the assets of the Debt Service Reserve Fund in the manner provided by Section 4.08 as of the close of business (i) on June 30 in each year, (ii) on the date of any withdrawal from the Debt Service Reserve Fund and on the last Business Day of each month thereafter until such determination discloses that a deficiency no longer exists in such fund, (iii) on any date on which the Trustee obtains actual knowledge that any Debt Service Reserve Fund Credit Facility held to the credit of the Debt Service Reserve Fund is no longer entitled to be credited to the Debt Service Reserve Fund, (iv) on the date that is six months prior to the stated expiration date of any Debt Service Reserve Fund Credit Facility, and (v) on any other date directed by the Department.

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

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

In determining the value of the assets of the Debt Service Reserve Fund on any date, there shall be credited to the Debt Service Reserve Fund the amount that can be realized by the Trustee under any Debt Service Reserve Fund Credit Facility if each of the following conditions is met: (i) on the date of delivery of such Debt Service Reserve Fund Credit Facility to the Trustee, the unsecured indebtedness or claims-paying ability of the issuer thereof is rated in one of the three highest rating categories of Moody's or S&P; (ii) such Debt Service Reserve Fund Credit Facility permits the Trustee to realize amounts thereunder at such times as the Trustee is required to transfer any amount (other than any surplus) from the Debt Service Reserve Fund in accordance with this Resolution; (iii) if amounts realized under such Debt Service Reserve Fund Credit Facility are, under any circumstances, payable from the Pledged Revenues, such amounts shall be payable in no fewer than 12 equal monthly installments; and (iv) the expiration date of such Debt Service Reserve Fund Credit Facility is at least six months after the date of valuation or is after the maturity date of the Bonds secured thereby.

If the Department shall determine to provide for the payment of any Bonds as provided in Section 9.01, then on the date on which such Bonds are deemed to be paid in accordance with such Section, the amount by which the amount then on deposit in the Debt Service Reserve Fund exceeds the Debt Service Reserve Fund Requirement for the Outstanding Bonds, taking into account the Bonds then deemed to be paid in accordance with Section 9.01, shall be paid to the escrow deposit agent for such Bonds upon the Order of the Department.

Section 4.07. Redemption Fund.

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

(b) On any date on which a determination of the value of the assets of any Debt Service Reserve Fund in the manner provided by Section 4.08 discloses a deficiency therein, the Trustee shall transfer to such Debt Service Reserve Fund from the Redemption Fund any available amounts on deposit in the Redemption Fund to the extent of such deficiency, except as otherwise provided in the Supplemental Resolution authorizing the issuance of Additional Bonds with respect to any Debt Service Reserve Fund securing such Bonds. The Trustee shall notify the Department of such transfer and the amount thereof.

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

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

(e) Money set aside to pay the Redemption Price of any Bonds theretofore called or the redemption or the purchase price of Bonds theretofore contracted to be purchased shall not be deemed to be available for application as provided in this Section.

Section 4.08. Investments.

Money in any of the funds and accounts established by this Trust Agreement may be invested, but only in Permitted Investments maturing or redeemable at the option of the holder in such amounts and on such dates as may be necessary to provide money to meet the payments from such funds and accounts. The Trustee shall invest amounts on deposit in the funds and accounts held by the Trustee in accordance with this Section as directed by a Department Representative.

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

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

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

In addition, in determining the value of the assets of the Debt Service Reserve Fund on any date, there shall be credited to the Debt Service Reserve Fund the amount that can be realized by the Trustee under any Debt Service Reserve Fund Credit Facility if each of the following conditions is met: (i) on the date of delivery of such Debt Service Reserve Fund Credit Facility to the Trustee, the unsecured indebtedness or claims-paying ability of the issuer thereof is rated in one of the three highest Rating Categories of a Rating Agency; (ii) such Debt Service Reserve Fund Credit Facility permits the Trustee to realize amounts thereunder at such times as the Trustee is required to transfer any amount (other than any surplus) from the Debt Service Reserve Fund in accordance with this Trust Agreement; (iii) if amounts realized under such Debt Service Reserve Fund Credit Facility are, under any circumstances, payable from the Pledged Revenues, such amounts shall be payable in no fewer than 12 equal monthly installments; and (iv) the expiration date of such Debt Service Reserve Fund Credit Facility is at least six months after the date of valuation or is after the maturity date of the Bonds secured thereby or such Debt Service Reserve Fund Credit Facility permits the Trustee to draw thereunder for deposit to the Debt Service Reserve Fund an amount equal to the Debt Service Reserve Fund Requirement prior to its expiration.

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

Section 4.09. Application of Money in Certain Funds for Retirement of Bonds.

Notwithstanding any other provision of this Trust Agreement, if at any time the Department shall determine to provide for the payment of all Outstanding Bonds of a Series in accordance with Article IX, upon the Order of the Department, the Trustee shall apply any money on deposit in the Bond Fund or the Debt Service Reserve Fund securing such Bonds available for the payment of the principal or Redemption Price of and interest on such Bonds, to the payment or redemption of such Bonds in the manner provided by Article IX, except as otherwise provided in any Supplemental Trust Agreement.

ARTICLE V

PARTICULAR COVENANTS

Section 5.01. Payment of Bonds.

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

Neither the State, nor the Department, nor the MAA, nor any political subdivision of the State nor the Department shall be obligated to pay the Bonds or the interest thereon except from the Pledged Revenues and from other sources as provided herein, and neither the faith and credit nor the taxing power of the State, the Department, the MAA, any political subdivision of the State or the Department is pledged to the payment of the Bonds or the interest thereon. The issuance of the Bonds shall not directly or indirectly or contingently obligate the State, the Department, the MAA or any political subdivision of the State to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment. The Department and the MAA have no taxing powers.

Section 5.02. Representations of the Department.

The Department represents and covenants that: (a) it is duly authorized under the Constitution and laws of the State, particularly the Enabling Legislation, to issue the Series 2021A Bonds, to enter into this Trust Agreement and to pledge the Trust Estate in the manner and to the extent set forth in this Trust Agreement, (b) all action on its part for the issuance of the Series 2021A Bonds has been duly and effectively taken, and (c) the Series 2021A Bonds when issued in accordance with this Trust Agreement will be valid and binding limited obligations of the Department.

Section 5.03. Rate Covenant.

The Department covenants that it shall cause the MAA to fix, charge and collect Operating Revenues in each Bond Year as will be sufficient to produce Net Pledged Revenues in such Bond Year in an amount not less than the sum of (a) 125% of the Debt Service Requirements of all outstanding Bonds for such Bond Year and (b) 100% of the Debt Service Requirements of all outstanding Other Obligations for such Bond Year. For the purpose of determining the Debt Service Requirements of Bonds or Other Obligations for any Bond Year, any portion of the Debt Service Requirements of such Bond or Other Obligations that is paid from amounts that the Department is legally entitled to receive from the United States government or any instrumentality or agency thereof, such as Coronavirus Aid, Relief, and Economic Security (CARES) Act funds, that are properly allocated to BWI Marshall Airport or Martin State Airport shall be excluded. The covenant set forth in this paragraph is referred to herein as the "Rate Covenant."

If in any Bond Year the amount of Operating Revenues imposed and collected by the MAA is such as to produce Net Pledged Revenues less than the amount required under this Section, as soon as practicable after the last day of such Bond Year (but in no event more than 120 days after the last day of such Bond Year), the Department shall employ an Airport Consultant to prepare a Report including recommendations with respect to the operation of the Facilities and Operating Revenues and Operating Expenses. The Department shall require the Airport Consultant to file its Report with the Department, the MAA and the Trustee within 30 days after the date of its employment by the Department pursuant to this Section, *provided* that the Department may extend the time for the filing by the Airport Consultant of its Report to the extent reasonably necessary to enable the Airport Consultant to complete such Report if the Airport Consultant files a Request for such an extension with the Department and the Trustee containing an estimated completion date for such Report and stating that the Airport Consultant is proceeding diligently to complete its Report and that its Report cannot reasonably be completed within the time allowed by this paragraph.

The Airport Consultant may recommend with respect to the Operating Revenues imposed and collected in connection with operation of the Facilities and the Operating Expenses, either that the MAA (i) make no change, or (ii) make some change, even though such recommendation is not calculated to result in compliance with this Section, if the Airport Consultant includes in its Report a statement to the effect that compliance with such recommendations should result in the generation of the maximum feasible amount of Net Pledged Revenues.

The Department shall cause the MAA to revise or cause to be revised the Operating Revenues and Operating Expenses, in conformity with any practicable recommendation of the Airport Consultant and shall otherwise follow any practicable recommendation of the Airport Consultant. If the MAA complies with the reasonable recommendations of such Airport Consultant, then the failure of the Department to meet the requirements of this Section for such Bond Year shall not constitute an Event of Default.

The provisions of this Section are in all respects subject to Applicable Law.

Section 5.04. Rates and Charges.

The Department shall at all times maintain or cause the MAA to maintain adequate accounting and management procedures to provide for the periodic review of the Pledged Revenues imposed and collected in order to determine the need for any change therein or modification thereof and to permit such change or modification to be implemented within the period required to enable the Department to comply with this Trust Agreement.

Section 5.05. Accounts and Audits.

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

Section 5.06. Budget.

The Department hereby covenants that, to the extent permitted by law, it will cause the MAA to take or cause to be taken all actions necessary so that Net Pledged Revenues at least equal to the amount required by the Rate Covenant for each Bond Year are collected when due (or as soon thereafter as possible in accordance with Applicable Law) or are otherwise made available in a timely manner.

Section 5.07. Additional Appropriations.

The Department covenants that if additional appropriations for expenditures for the BWI Marshall Airport or Martin State Airport are approved to be made from Operating Revenues of the MAA received or expected to be received in any Bond Year by the MAA in excess of those relied upon in determining the State Budget for such Bond Year, the Department will take or cause to be taken in timely fashion all actions necessary to comply with the Rate Covenant.

Section 5.08. Liens and Encumbrances.

The Department hereby covenants and agrees as follows:

(a) Except as provided in the Enabling Legislation and this Trust Agreement, the Department shall not issue any Indebtedness secured by a pledge of or other lien on the Pledged Revenues and shall not otherwise create or cause to be created any lien or charge on the Pledged Revenues.

(b) Nothing herein shall be construed to prohibit the Department from issuing or assuming any Indebtedness other than Bonds or entering into any leases, financing leases, sale-leasebacks and similar transactions ("Leases") for any valid public purpose related to BWI Marshall Airport or Martin State Airport, which Indebtedness or Leases, if so determined by the Department and permitted by Applicable Law, may be secured by a pledge of the Pledged Revenues, *provided* that such pledge shall in all respects be junior and subordinate to the pledge of the Pledged Revenues to secure the payment of the principal or Redemption Price of and interest on, and the purchase price of, outstanding Bonds and the reimbursement of the provider of any Credit Facility securing the Bonds (such Indebtedness or Leases being referred to herein collectively as "Subordinate Obligations"). So long as no Event of Default under this Trust Agreement shall have occurred and be continuing, the Department may pay or prepay, or authorize the payment or prepayment of, the principal of and interest on any Subordinate Obligation or any rent or other amount payable under any Lease and no recourse shall be had by the holder of any Bonds against the person to whom any such payment shall have been made unless such person shall have had, at the time of receipt of such payment, actual knowledge that an Event of Default has occurred under this Trust Agreement. During the continuance of any Event of Default under this Trust Agreement, no payments shall be made by the Department with respect to the principal of or interest on any Subordinate Obligation or Lease.

(c) The Facilities may not be sold, mortgaged, leased or otherwise disposed of or encumbered unless there shall be delivered to the Trustee a Certificate of the Department Representative to the effect that such sale, mortgage, lease, encumbrance or other disposition will not adversely affect the operating efficiency of the Facilities or the ability of the Department to meet the Rate Covenant.

Section 5.09. Operation and Maintenance of the Facilities.

The Department shall cause the MAA (i) to operate, or cause to be operated, the Facilities properly and in a sound, efficient and economical manner and shall maintain, preserve, and keep the same or cause the same to be maintained, preserved, and kept in good repair, working order and condition, (ii) to make, or cause to be made, all necessary and proper repairs, replacements and renewals so that the operation of the Facilities may be properly and advantageously conducted and, (iii) if any useful portion of the Facilities is damaged or destroyed or taken through the exercise of eminent domain, to commence and diligently prosecute the repair, replacement or reconstruction of such damaged, destroyed, or taken portion of the Facilities, in each case to the extent that Pledged Revenues are available for the payment of the cost thereof; *provided*, however, that nothing in this Trust Agreement shall require the MAA to operate, maintain, preserve, repair, replace, renew or reconstruct any portion of the Facilities if abandonment of operation of such portion of the Facilities is economically justified, is not materially prejudicial to the interests of the holders of Outstanding Bonds and will not impair the ability of the Department to satisfy the Rate Covenant.

Section 5.10. Insurance and Condemnation.

(a) The Department shall at all times (i) keep all Facilities of an insurable nature and of the character usually insured by airport facilities similar to the Facilities insured, insofar as practicable, against loss or damage by fire and from other causes customarily insured against and (ii) maintain insurance, insofar as practicable, against loss or damage from such hazards and risks to the persons and property of others as are usually insured against by airport facilities similar to the Facilities. In determining the amounts and types of insurance to be maintained under this Section, the Department may rely upon the advice of an Engineer or an insurance consultant.

(b) All insurance prescribed by this Section shall be procured from financially sound and reputable insurers qualified to transact an insurance business in the State of Maryland. All policies and certificates of insurance shall be open to inspection by the Trustee at all reasonable times. Within 120 days after the end of each Bond Year, the Department shall deliver to the Trustee a list prepared as of the last day of each Bond Year describing such policies and certificates. The Trustee shall have no responsibility with respect to any such insurance except to receive such certificates and hold the same for inspection by any Holder of Outstanding Bonds.

(c) All proceeds of insurance insuring the Facilities against loss or damage shall be applied to the restoration, replacement or reconstruction of the property lost or damaged, unless the MAA determines not to restore, replace or reconstruct such Facilities and such restoration, replacement or reconstruction is not necessary for the Department to meet the Rate Covenant.

(d) The Department may elect to insure itself against the risks to be covered by such insurance.

(e) If any portion of the Facilities shall be taken through the exercise of the power of eminent domain, the Department shall apply the proceeds of any award received on account of such taking to the replacement of the property so taken, unless the MAA determines in accordance with paragraph (c) not to replace such property.

Section 5.11. Disposal of All or Substantially All of the Facilities.

Prior to any transfer of all or substantially all of the Facilities to another Person (including, without limitation, any body politic and corporate, there shall be delivered to the Trustee (a) evidence that such Person has assumed all of the duties, privileges, powers, liabilities, disabilities, immunities and rights of the Department with respect to the Facilities, or such portion thereof and (b) if any Tax-Exempt Bonds are then outstanding, an Opinion of Bond Counsel to the effect that such action will not adversely affect the excludability from gross income of interest paid on any Tax-Exempt Bond for federal income tax purposes.

Section 5.12. Tax Matters.

The Department shall not take any or omit to take, or permit to be taken on its behalf, any actions which, if taken or omitted, would adversely affect the excludability from the gross income of the Bondholders of interest paid on any Tax-Exempt Bonds for federal income tax purposes.

The Secretary of Transportation, the Deputy Secretary of Transportation and the Chief Financial Officer of the Department shall be officials of the Department 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 Department (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 or any successor to such Section in effect on the date of issuance of such Tax-Exempt Bonds.

The Department shall set forth in such 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 money, 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 Department covenants that (i) the facts, estimates and circumstances set forth in each Section 148 Certificate will be based on the Department’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 Department further covenants that it will not make any use of the Bond Proceeds that would cause any Tax-Exempt Bonds to be “arbitrage bonds” within the meaning of Section 148.

The Department further covenants that it 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 be lawfully 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 Department contained in this Section be construed so as to require the Department to comply with Section 148 only to the extent of such applicability.

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

The Department shall make timely payment, but only from the Pledged Revenues, of any rebate amount or payment in lieu thereof (or installment of either) 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.

Upon the Order of the Department, 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 Department for such payments upon the Order of the Department. Upon the Order of the Department, the Trustee shall transfer amounts on deposit in the Rebate Fund to any fund or account created by this Trust Agreement.

The Section 148 Certifying Officials may execute an amendment or supplement to the Section 148 Certificate upon delivery to the Department of an Opinion of Bond Counsel to the effect that such action will not adversely affect the excludability from gross income of interest paid on any Tax-Exempt Bond for federal income tax purposes.

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

Section 5.13. Financing Statements

The Department covenants that, in order further to evidence the grant to the Trustee of the interest of the Trustee in the Trust Estate made hereby to the extent possible by such filing, appropriate financing statements (the "Financing Statements"), naming the Trustee as assignee of the Trust Estate, will be filed in the appropriate offices as required by the Maryland Uniform Commercial Code, as from time to time in effect (the "UCC"). Upon the request of the Trustee the Department shall execute such necessary continuation statements ("Continuation Statements") from time to time as may be required pursuant to the UCC to protect the interests of the Trustee and the Holders in the Trust Estate.

Section 5.14. Transportation Trust Fund.

The Bonds shall not be secured by the Transportation Trust Fund. Operating Expenses are paid from the Transportation Trust Fund upon the appropriation of such funds for such purpose by the Maryland General Assembly.

ARTICLE VI

CONCERNING THE TRUSTEE

Section 6.01. Registrar; Paying Agent.

Except as otherwise provided in any Supplemental Trust Agreement, the Trustee shall also be the registrar and the paying agent for the Bonds.

Section 6.02. Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to institute any suit, or to undertake any proceeding under this Trust Agreement, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction against any and all costs and expenses, advances, outlays and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or default. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as the Trustee, without indemnity.

Section 6.03. Responsibilities of the Trustee.

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

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

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

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

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

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

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

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

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

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

Section 6.04. Property Held in Trust.

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

Section 6.05. Trustee Protected in Relying on Certain Documents.

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

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

The Trustee shall not be under any obligation to see to the recording or filing of this Trust Agreement, or otherwise to the giving to any person of notice of the provisions hereof, except as provided in Section 6.13.

Section 6.06. Compensation and Expenses of the Trustee.

The Department covenants and agrees:

(a) to pay the Trustee from the Pledged Revenues from time to time reasonable compensation for all services rendered by it hereunder and under the other agreements relating to the Bonds to which the Trustee is a party subject to the terms agreed to from time to time by the Department and the Trustee;

(b) to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Trust Agreement, any other agreement relating to the Bonds to which it is a party or in complying with any request by the Department or any Rating Agency with respect to the Bonds, including the reasonable compensation, expenses and disbursements of its agents and counsel, except any such expense, disbursement or advance attributable to the Trustee's negligence or bad faith; and

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

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

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

Section 6.07. Permitted Acts.

The Trustee and its directors, officers, employees or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Bonds and may join in any action that any Holder of Bonds may be entitled to take as fully and with the same rights as if it were not the Trustee. The Trustee may act as depository, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the Department or any committee formed to protect the rights of the Holders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Trust Agreement.

Section 6.08. Resignation of the Trustee.

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than 90 days' written notice, specifying the date when such resignation shall take effect, to the Department and each Holder. Such resignation shall take effect upon the appointment of a successor Trustee and the acceptance of such appointment by such successor.

Section 6.09. Replacement of Trustee.

The Trustee may be replaced by the Department so long as no Event of Default shall have occurred and be continuing or, if any Event of Default shall have occurred and be continuing, by a majority of the Holders by an instrument or concurrent instruments in writing signed and acknowledged by such Holders or by their attorneys-in-fact, duly authorized and delivered to the Department. Facsimile copies of each such instrument shall be delivered by the Department to the Trustee and any successor thereof. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Trust Agreement with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the Department or of not less than 10% of the Holders.

Section 6.10. Successor Trustee.

If the Trustee shall resign, be removed, be dissolved or become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the position of the Trustee hereunder shall thereupon become vacant.

If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, a successor Trustee shall be appointed (i) by the Department, so long as no Event of Default shall have occurred and be continuing, or (ii) if an Event of Default shall have occurred and be continuing, by a majority of the Holders, by an instrument or concurrent instruments in writing signed and acknowledged by such Holders or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the Department.

Copies of any instrument of the Department providing for any such appointment shall be delivered by the Department to the Trustee so appointed and the predecessor Trustee. The successor Trustee shall mail notice of any such appointment to each Holder within 90 days after such appointment.

If in a proper case no appointment of a successor Trustee shall be made within 60 days after the giving by any Trustee of any written notice of resignation in accordance with Section 6.08 or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Holder may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor.

Any successor Trustee appointed under the provisions of this Section shall be a commercial bank or trust company or national banking association having a capital and surplus aggregating at least

$100,000,000, if there be such a commercial bank or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms, and authorized by law to perform all the duties of the Trustee required by this Trust Agreement.

Section 6.11. Transfer of Rights and Property to Successor Trustee.

Any successor Trustee appointed under the provisions of Section 6.10 shall execute, acknowledge and deliver to its predecessor and the Department an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all money, estates, properties, rights, immunities, powers, duties, obligations and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the Department or of such successor, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers and trusts of such Trustee and all the right, title and interest of such Trustee in and to the Trust Estate, and shall pay over, assign and deliver to such successor any money or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Department be required by such successor for more fully and certainly vesting in and confirming to it any such money, estates, properties, rights, powers, duties or obligations, any and all such deeds, conveyances and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged and delivered by the Department.

Section 6.12. Merger, Conversion or Consolidation of Trustee.

Any company into which the Trustee may be merged or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Trustee hereunder, without any further act, deed or conveyance, provided that such company shall be a commercial bank or trust company or national banking association qualified to be a successor to such Trustee under the provisions of Section 6.10.

Section 6.13. Trustee to File Continuation Statements.

At the expense of the Department, the Trustee shall file such Continuation Statements as may be required by the UCC, in order to continue perfection of the security interest of the Trustee in such property as may have been granted to the Trustee pursuant to this Trust Agreement in the time, place and manner required by the UCC, so long as a legible copy of each original filed UCC financing statement, showing the date, file number, and office of filing, is provided to Trustee not less than six months prior to the expiration date of such original filings.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.01. Events of Default.

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

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

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

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

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

Section 7.02. Enforcement.

Upon the happening and continuance of any Event of Default, then and in every such case the Trustee may proceed, and upon the written request of not less than 25% of the Holders shall proceed, to protect and enforce its rights and the rights of the Holders under the laws of the State and under this Trust Agreement and any Credit Facility by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant contained herein or therein, or in aid or execution of any power herein or therein granted, or for an accounting against the Department as if the Department were the trustee of an express trust or for the enforcement of any proper legal or equitable remedy as the Trustee shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy upon the occurrence of an Event of Default under this Trust Agreement, the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining, due from the Department, for principal of or interest on the Bonds, or otherwise under any of the provisions of this Trust Agreement or of any Bonds, with interest on overdue payments of principal at the rate or rates of interest specified in the

Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under the Bonds, without prejudice to any other right or remedy of the Trustee or of the Holders, and to recover and enforce judgment or decree against the Department, but solely as provided herein and in the Bonds and from the sources and money provided herein and in the Bonds, for any portion of such amounts remaining unpaid and to collect in any manner provided by law the money adjudged or decreed to be payable.

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

Section 7.03. Priority of Payments Following Default.

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

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

FIRST: to the payment to the persons entitled thereto of all installments of interest then due on the Bonds Outstanding, 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 of such installment, 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 such Bonds;

SECOND: to the payment to the persons entitled thereto of the unpaid principal of any Outstanding Bonds that shall have become due and payable, in the order of their due dates, with interest upon the principal amount of such Bonds from the respective dates upon which they shall have become due and payable and, if the amount available shall not be sufficient to pay in full the principal of such Bonds due and payable on any particular date, together with such interest, then first to the payment of such interest, ratably, according to the amount of interest due on such date, and then to the payment of such principal, ratably, according to the amount of principal due on such date, to the persons entitled thereto, without any discrimination or preference, except as to any difference in the respective rates of interest specified in such Bonds;

THIRD: to the payment of the interest on and the principal of the Bonds outstanding as the same become due and payable; and

FOURTH: to the payment to any Credit Facility Provider of amounts payable to such Credit Facility Provider under this Trust Agreement in respect of amounts paid by such Credit Facility Provider on any Bonds under any other Credit Facility, to the extent that such amount exceeds the amount that would be payable to such Credit Facility Provider; and

(b) if the principal of all Outstanding Bonds shall have become due by their terms, all such money shall be applied to the payment of the principal and interest then due and unpaid upon such Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in such Bonds.

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

Section 7.04. Discontinuance of Proceedings.

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

Section 7.05. Majority of the Holders May Control Proceedings.

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

Section 7.06. Restrictions Upon Action by Individual Holders.

No Holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law on any Bond for the execution of any trust hereunder or for any other remedy hereunder unless (i) such Holder previously shall have given to the Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted, (ii) not less than 25% of Holders shall have made written request to the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted by this Trust Agreement or to institute such action, suit or proceeding in its or their name, and (iii) there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Trust Agreement or to any other remedy hereunder. Notwithstanding the foregoing provisions of this Section and without complying therewith, 25% or more of the Holders may institute any such suit, action or proceeding in their own names for the benefit of all Holders.

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

Section 7.07. Actions by Trustee.

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

Section 7.08. No Remedy Exclusive.

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

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

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

The Trustee may, and upon written request of not less than 25% of the Holders shall, waive any default with respect to Bonds which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Trust Agreement or before the completion of the enforcement of any other remedy under this Trust Agreement; but no such waiver shall extend to or affect any other existing or any subsequent default or impair any rights or remedies consequent thereon.

Section 7.10. Notice of Default.

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

ARTICLE VIII

MODIFICATION OR AMENDMENT OF TRUST AGREEMENT

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

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

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

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

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

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

(e) to cure any ambiguity or to cure or correct any defect or inconsistent provisions contained in this Trust Agreement or to make such provisions in regard to matters or questions arising under this

Trust Agreement as may be necessary or desirable and not contrary to or inconsistent with this Trust Agreement;

(f) to provide for the issuance of Additional Bonds, including (without limitation) any modifications or amendments required to grant to or otherwise secure for the Holders of such Additional Bonds a parity interest in the security granted to the holders of the Series 2021A Bonds and any other then-Outstanding Bonds in accordance with Section 2.04;

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

(h) to obtain or to maintain any ratings on the Bonds of any Series from any Rating Agency;

(i) to provide for the issuance of any Bonds in coupon form or in book entry form, to change any Securities Depository or to discontinue any book-entry system;

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

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

Section 8.02. Supplemental Trust Agreements Requiring Consent of Holders.

In addition to Supplemental Trust Agreements permitted by Section 8.01, with the prior written consent of a the Holders of majority of the Bonds affected thereby, the Department and the Trustee may enter into at any time and from time to time Supplemental Trust Agreements amending or supplementing this Trust Agreement, any Supplemental Trust Agreement or any Bond to modify any of the provisions thereof or to release the Department from any of the obligations, covenants, agreements, limitations, conditions or restrictions therein contained, *provided* that nothing contained herein shall permit (i) a change in any terms of redemption or purchase of any Bond, the due date for the payment of the principal of or interest on any Bond or any reduction in the principal, Redemption Price or purchase price of or interest rate on any Bond without the consent of the Holder of such Bond, or (ii) the creation of a claim or lien upon, or a pledge of, the Trust Estate ranking prior to or on a parity with the claim, lien and pledge created by this Trust Agreement as security for the Series 2021A Bonds and any Additional Bonds issued within the limitations of this Trust Agreement, a preference or priority of any Bond over any other Bond or a reduction in the percentage of Bonds the consent of the Holders of which is required for any modification of this Trust Agreement without the unanimous consent of the Holders.

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

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

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

Section 8.04. Notation on Bonds.

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

ARTICLE IX

DEFEASANCE

Section 9.01. Defeasance.

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

(b) A Series 2021A Bond and any Additional Bond, except as otherwise provided in any Supplemental Trust Agreement authorizing the issuance thereof, shall be deemed to have been paid within the meaning of, and with the effect expressed in, this Section if (i) money for the payment or redemption of such Bond shall be held by the Trustee (through deposit by the Department of money for such payment or redemption or otherwise, regardless of the source of such money), whether at or prior to the maturity or the redemption date of such Bond, or (ii) if the maturity or redemption date of such

Bond shall not have arrived, provision shall have been made by the Department for the payment of the principal or Redemption Price of and interest on such Bond on the due dates for such payments by deposit with the Trustee (or other method satisfactory to the Trustee) of Government Obligations, the principal of and the interest on which when due will provide for such payment, *provided* that, if such Bond is to be redeemed prior to the maturity thereof, the Department shall have taken all action necessary to redeem such Bond and notice of such redemption shall have been duly and irrevocably given or provisions satisfactory to the Trustee shall have been made for the giving of such notice.

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

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

ARTICLE X

MISCELLANEOUS

Section 10.01. Further Assurances.

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

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

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

(a) the fact and date of the execution by any Holder or Holder's attorney or legal representative of such instrument may be proved by the certificate (which need not be acknowledged or verified) of an officer of a bank or trust company satisfactory to the Trustee of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which such officer purports to act, that the person signing such instrument acknowledged to such officer the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer; and the authority of any person executing any such instrument on behalf of a corporate Holder may be established without further proof if such instrument is signed by a person purporting to be the president or a vice president of such corporation with a corporate seal affixed and attested by a person purporting to be its secretary or an assistant secretary, its cashier or an assistant cashier; and

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

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

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

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

Section 10.03. Preservation by Trustee and Inspection of Documents.

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

Section 10.04. Money and Funds Held for Particular Bonds.

Amounts held by the Trustee for the payment of the principal or Redemption Price of, and interest on, Bonds due on any date shall, pending such payment, be set aside and held in trust by it for the Holders of such Bonds and, for the purposes of this Trust Agreement, such principal or Redemption

Price of and interest on such Bonds, due after such date, shall no longer be considered to be unpaid, except to receive payment from such amounts set aside or held for such payment.

Section 10.05. No Recourse Against Members and Officers.

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

Section 10.06. Severability of Invalid Provision.

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

Section 10.07. Notices.

(a) Any notice or other instrument authorized or required to be given pursuant to this Trust Agreement shall be deemed given when delivered or mailed by first-class mail postage prepaid, or delivered by hand addressed as follows (or to such other address as may be designated by written notice given hereunder):

In the case of the Department:

Maryland Department of Transportation
7201 Corporate Center Drive
Hanover, MD 21076
Attention: Chief Financial Officer
Telephone: (410) 865-1035

In the case of the Trustee:

Zions Bancorporation, National Association
401 Liberty Avenue, Suite 1729
Pittsburgh, Pennsylvania 15222
Attention : Corporate Trust
Telephone: (412) 865-1035

(b) Except as otherwise expressly provided herein or in any Supplemental Trust Agreement pursuant to which any Additional bonds are issued, when any notice is required to be given to the holder of any Bond, such notice shall be mailed to the registered owner of such 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.

(c) Any notice required to be given hereunder to any holder of Bonds shall also be given to the beneficial owner of any Bonds who shall have filed a Request therefor with the Department and the Trustee.

Section 10.08. Other Trust Agreements.

The Department expressly reserves the right to enter into one or more other trust agreements and to issue bonds, notes and other obligations thereunder without compliance with the provisions hereof, *provided* that nothing contained in this Section 10.08 shall permit the Department to create a claim or lien upon, or a pledge of, the Trust Estate ranking prior to or on a parity with the claim, lien and pledge created by this Trust Agreement as security for the Series 2021A Bonds and any Additional Bonds issued within the limitations of this Trust Agreement.

Section 10.09. Business Days.

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

Section 10.10. Interested Parties.

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

Section 10.11. Execution in Several Counterparts.

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

Section 10.12. Governing Law.

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

Section 10.13 Security Agreement.

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

[Remainder of page left bank intentionally.]

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

[SEAL] **MARYLAND DEPARTMENT OF TRANSPORTATION**

ATTEST: By: ____

____

[SEAL] **ZIONS BANCORPORATION, NATIONAL ASSOCIATION**

ATTEST: By: ____

____

Approved for Form and Legal Sufficiency

____
Assistant Attorney General
Maryland Department of Transportation

[Signature page of Trust Agreement]

FORM OF BOND **EXHIBIT A**

REGISTERED UNITED STATES OF AMERICA REGISTERED
STATE OF MARYLAND

No. _____ $__________

MARYLAND DEPARTMENT OF TRANSPORTATION
SPECIAL TRANSPORTATION PROJECT REFUNDING REVENUE BONDS
SERIES 2021A (FEDERALLY TAXABLE)

Date	Interest Rate (Per annum)	Maturity Date	CUSIP
	%		

Registered Owner: Cede & Co.

Principal Amount: Dollars

The Department of Transportation of Maryland (the "Department"), an agency of the State of Maryland (the "State"), for value received, hereby promises to pay but solely from the Pledged Revenues hereinafter described and other amounts pledged to such payment under the Trust Agreement (defined herein) to the Registered Owner identified above, or the registered assigns or legal representative as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest on such Principal Amount from the date of this bond or from the most recent interest payment date to which interest has been paid at the rate of interest per annum set forth above commencing on August 1, 2021 and each February 1 and August 1 thereafter, until such principal sum is paid.

Neither the State nor the Department is obligated to pay the principal of or the interest on the Bonds (as defined herein) except from the Pledged Revenues and other amounts pledged therefor under the Trust Agreement, and neither the faith and credit nor the taxing power of the State or of the Department is pledged to the payment of the principal of or the interest on the Bonds. The issuance of the Bonds does not directly or indirectly or contingently obligate, morally or otherwise, the State or the Department to levy or pledge any form of taxation whatsoever therefor or to make any appropriation for their payment. The Bonds are limited obligations of the Department payable solely from the Trust Estate (as defined in the Trust Agreement).

THE BONDS ARE NOT AND SHALL NOT BE DEEMED TO CONSTITUTE A PLEDGE OF THE FULL FAITH AND CREDIT OF THE STATE OF MARYLAND OR OF THE DEPARTMENT.

The principal of and premium, if any, on this bond are payable upon presentation and surrender hereof, at the Designated Office (as defined in the Trust Agreement) of the Trustee. So long as the Bonds are maintained in a book-entry only system, interest will be paid by electronic funds transfer to the Registered Owner at the address as it appears on the registration books for the Bonds maintained by the Trustee as of the close of business on the fifteenth day of the month immediately preceding the applicable interest payment date. The principal of, premium, if any, and interest on this bond are payable in lawful money of the United States of America or by check payable in such money.

Any bond may, in accordance with its terms, be transferred upon the books required to be kept by the Trustee by the person in whose name it is registered or by his, her or its duly authorized attorney, or personal representative, upon surrender of such registered bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form approved by the Trustee, unless such bond has been called for redemption. Neither the Department nor the Trustee shall be obligated to make any such exchange or transfer of the Bonds during the fifteen days immediately preceding any interest payment date or after a notice of the redemption of such Bond or any portion thereof has been mailed, unless the transferee acknowledges in writing to the satisfaction of the Trustee the matters contained in such notice.

Trust Agreement. The Bonds are issued pursuant to and in full conformity with the provisions of Sections 3-601 through 3-607 of the Transportation Article of the Annotated Code of Maryland, as amended and supplemented, (the "Act"), the resolution of the Secretary of Transportation of Maryland dated as of February 2, 2021 (the "Resolution") and by virtue of a Trust Agreement to be entered into by and between Zions Bancorporation, National Association, as trustee (the "Trustee") and the Department, dated as of February 1, 2021 (the "Trust Agreement"). The terms of the Bonds will include those stated in the Trust Agreement, and the Bonds will be subject to all such terms. Reference is made hereby 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 Department, the Trustee and the holders of the Bonds. By the acceptance of this bond, the holder hereof assents to all of the provisions of the Trust Agreement.

Revenues. The Bonds constitute limited obligations of the Department payable solely from the Pledged Revenues and other amounts pledged therefor under the Trust Agreement, and to the extent provided in the Trust Agreement, the proceeds of the Bonds. "Pledged Revenues" shall have the meaning ascribed to such term in the Trust Agreement.

The Bonds. This bond is one of a duly authorized series of bonds dated _________, ____ known as Maryland Department of Transportation Special Transportation Project Refunding Revenue Bonds (Baltimore/Washington International Thurgood Marshall Airport), Series 2021A (Federally Taxable) (the "Bonds"), aggregating $_______ in principal amount, which are of the denomination of $5,000 each or any integral multiple thereof, and which mature and are payable in installments on August 1 in the following years and amounts:

Year	Principal Amount	Year	Principal Amount

The Bonds are all of like tenor except as to numbers, maturities, denominations, payees and interest rates and are issued pursuant to and in full conformity with the provisions of Act, and by virtue of the Resolution.

Redemption. The Bonds are not subject to redemption prior to maturity.

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

It is hereby certified and recited that all conditions, acts and things required by the Constitution and laws of the State, the Resolution and the Trust Agreement to exist, to have happened and to have been performed precedent to the issuance of this bond, do exist, have happened and have been performed, and that the issue of the Bonds of which this is one has been made in full compliance with such Constitution and laws and with the limitation on indebtedness contained in such laws, and with the Resolution and the Trust Agreement.

No person signing this bond on behalf of the Department, manually or by facsimile, shall be liable personally on this bond or be subject to any personal liability whatever by the issuance thereof, such liability, if any, being expressly waived by the acceptance by the owner of the delivery 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 the Certificate of Authentication hereon has been manually signed by an authorized officer of the Trustee.

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Trust Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this bond has been executed by the facsimile signature of the Secretary of Transportation of Maryland; and the official seal of the Department has been imprinted hereon, all as of __________, ____.

[SEAL]

DEPARTMENT OF TRANSPORTATION OF MARYLAND

____
Gregory Slater
Secretary of Transportation of Maryland

CERTIFICATE OF AUTHENTICATION

This bond is issued under the provisions of the within mentioned Trust Agreement.

Zions Bancorporation, National Association, as Trustee

____
Authorized Signatory

Date of Authentication:

________________, 20___

ASSIGNMENT

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

____

____

(Please print or typewrite name and address including zip code of transferee)

Please Insert Social Security or
Other Identifying Number of Transferee

____

____

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints

____ Attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____________________________

Signature Guaranteed:

____

(Bank, Trust Company or Firm)

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in Securities Transfer Medallion (STAMP) or similar program.

____

Signature of Registered Owner

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

APPENDIX B

PROPOSED FORM OF OPINION OF BOND COUNSEL

(Closing Date)

Maryland Department of Transportation
Hanover, Maryland

Ladies and Gentlemen:

As bond counsel to the Maryland Department of Transportation (the “Department”) in connection with the issuance of its $219,880,000 Maryland Department of Transportation Special Transportation Project Refunding Revenue Bonds (Baltimore/Washington International Thurgood Marshall Airport), Series 2021A (Federally Taxable) (the “Series 2021A Bonds”), we have examined:

(i) Sections 3-601 through 3-607 of the Transportation Article of the Annotated Code of Maryland, as amended;

(ii) the Trust Agreement dated as of February 1, 2021 (the “Trust Agreement”), by and between the Department and Zions Bancorporation, National Association the (“Trustee”);

(iii) the form of Series 2021A Bond;

(iv) a resolution of the Secretary of Transportation dated as of February 2, 2021;

(v) a resolution of the Board of Public Works of the State of Maryland adopted on November 18, 2020;

(vi) relevant provisions of the Constitution and laws of the State of Maryland (the “State”); and

(vii) other proofs submitted to us relative to the issuance of the Series 2021A Bonds.

The terms of the Series 2021A Bonds are contained in the Trust Agreement and the Series 2021A Bonds.

We have made no investigation of, and are rendering no opinion regarding the title to, liens on or security interests in real or personal property.

Based upon the foregoing, it is our opinion that, under existing statutes, regulations and decisions:

(a) The Trust Agreement has been duly authorized, executed and delivered by the Department and, assuming the due authorization, execution and delivery thereof by the Trustee, constitutes a valid and binding obligation of the Department.

(b) The Department is duly authorized and entitled to issue the Series 2021A Bonds. Series 2021A Bonds executed and authenticated as provided in the Trust Agreement have been duly and validly issued and constitute valid and binding limited obligations of the Department payable, together with any Additional Bonds (as defined in the Trust Agreement) outstanding from time to time under the Trust Agreement, solely from Pledged Revenues (as defined in the Trust Agreement) and other amounts pledged to such payment under the Trust Agreement.

(c) The Trust Agreement and the Series 2021A Bonds are subject to bankruptcy, insolvency, moratorium, reorganization and other state and federal laws affecting the enforcement of creditors' rights and to general principles of equity.

(d) The Series 2021A Bonds, together with the interest and premium, if any, thereon, are limited obligations of the Department payable solely from, and secured by, the Pledged Revenues. The Series 2021A Bonds are not general obligations of the State and do not constitute a debt or a pledge of the faith and credit of the State, the Department or the Maryland Aviation Administration (the "MAA"), and neither the faith and credit nor the taxing power of the State, the Department or the MAA is pledged to the payment of the principal or redemption price of or interest on the Series 2021A Bonds.

(e) The Series 2021A Bonds, their transfer, the interest payable on them and any income derived from them, including profits realized in their sale and exchange, shall be exempt from taxation by the State or any of its political subdivisions, municipal corporations or public agencies. No opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the Series 2021A Bonds, their transfer or the income therefrom.

Interest on the Series 2021A Bonds will be includable in gross income for federal income tax purposes.

The opinions expressed above are limited to the matters set forth above, and no other opinions should be inferred beyond the matters expressly stated. We assume no obligation to supplement this opinion if any applicable laws or interpretations thereof change after the date hereof or if we become aware of any facts or circumstances that might change the opinions expressed herein after the date hereof.

Very truly yours,

APPENDIX C

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** (this “Disclosure Agreement”) is executed and delivered dated as of February 1, 2021 and effective as of the date of its execution and delivery by the Maryland Department of Transportation (the “Department”), is executed and delivered in connection with the issuance by the Department of its $219,880,000 Maryland Department of Transportation Special Transportation Project Refunding Revenue Bonds (Baltimore/Washington International Thurgood Marshall Airport), Series 2021A (Federally Taxable) (the “Bonds”). The Bonds are being issued pursuant to the provisions of Sections 3-601 through 3-607 of the Transportation Article of the Annotated Code of Maryland, as amended, a Trust Agreement dated as of February 1, 2021 by and between the Department and Zions Bancorporation, National Association, as trustee, a resolution issued by the Board of Public Works of Maryland dated as of November 18, 2020 and a resolution of the Secretary of Transportation dated as of February 2, 2021. The Department, intending to be legally bound hereby and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby covenant and agree as follows:

Section 1. Purpose of the Disclosure Agreement.

This Disclosure Agreement is being executed and delivered by the Department for the benefit of the owners and Beneficial Owners (as defined herein) of the Bonds and in order to assist the Participating Underwriters (as defined herein) in complying with the Rule (as defined herein).

Section 2. Definitions.

In addition to terms defined elsewhere herein, terms used in this Disclosure Agreement shall have the following meanings, unless a different meaning clearly appears from the context:. Terms used but not defined herein shall have the meanings given such terms in the Official Statement.

“**Beneficial Owner**” shall mean any person that (a) has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Bonds for federal income tax purposes.

“**CAFR**” shall mean the Comprehensive Annual Financial Report of the Department containing annual audited financial statements described in and consistent with Section 3 of this Disclosure Agreement.

“**Continuing Disclosure Service**” shall mean the continuing disclosure service established by the MSRB known as the Electronic Municipal Market Access (“EMMA”) system or such other format as shall be prescribed by the MSRB.

“**Dissemination Agent**” shall mean the Department, acting as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Department.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"**Listed Event**" shall mean any of the events listed in Section 4 of this Disclosure Agreement.

"**MSRB**" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

"Official Statement" shall mean the Official Statement with respect to the Bonds dated February 10, 2021.

"**Participating Underwriter**" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"**Rule**" shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"**SEC**" shall mean the United States Securities and Exchange Commission.

Section 3. Provision of Annual Financial Information, Operating Data and Audited Information.

(a) The Department shall provide, or shall cause the Dissemination Agent to provide, to the Continuing Disclosure Service in electronic format as prescribed by the MSRB the annual financial information and operating data set forth in Schedule A to this Disclosure Agreement as of and for the last day of the preceding fiscal year and made available within 275 days after the end of the fiscal year of the Department, commencing with the fiscal year ending June 30, 2021, to the extent that such information is not included in the CAFR or other document in which the annual audited financial statements required by subsection 3(b) below are provided.

(b) The Department shall provide, or shall cause the Dissemination Agent to provide, to the Continuing Disclosure Service annual audited financial statements for the Department in electronic format as prescribed by the MSRB, such information to be made available within 275 days after the end of the fiscal year for the Department, commencing with the fiscal year ending June 30, 2021, unless the audited financial statements are not available on or before such date, in which event such financial statements will be provided promptly when and if available. In the event that audited financial statements are not available within 275 days after the end of the fiscal year of the Department, the Department will provide unaudited financial statements within such time period.

(c) The Department's annual financial information referred to in paragraphs (a) and (b) above shall be made in accordance with the same accounting principles as utilized in connection with the presentation of comparable financial information included in the CAFR for the fiscal year ended June 30, 2020, *provided* that the County may modify the accounting principles utilized in the presentation of financial information by amending this Disclosure Agreement pursuant to the provisions of Section 6 hereof. Changes in accounting principles generally accepted in the United States, where applicable to financial information to be provided by the Department, shall not require the Department to amend this Disclosure Agreement.

(d) Any or all of the items listed in subsection (a) or (b) above may be included by specific reference to other documents, including offering documents of debt issues with respect to which the Department is an "obligated person" (as defined by the Rule), which have been filed with the Continuing Disclosure Service or with the SEC. If the document included by reference is a final offering document, it must be available from the MSRB. The Department shall clearly identify each such other document so included by reference.

(e) If the Department is unable to provide the annual financial information within the applicable time period specified in (a) and (b) above, the Department shall send in a timely manner a notice of such failure to the Continuing Disclosure Service.

Section 4. Reporting of Significant Events.

(a) Pursuant to provisions of this Section 4, the Department shall give or cause to be given notice of the occurrence of any of the following events with respect to the Bonds:

(i) principal and interest payment delinquencies,

(ii) non-payment related defaults, if material,

(iii) unscheduled draws on debt service reserves reflecting financial difficulties,

(iv) unscheduled draws on credit enhancements, if any, reflecting financial difficulties,

(v) substitution of credit or liquidity providers, if any, or their failure to perform,

(vi) modifications to rights of Bondholders, if material,

(vii) Bond calls, if material, and tender offers,

(viii) defeasances,

(ix) release, substitution or sale of property securing repayment of any of the Bonds, if material,

(x) rating changes,

(xi) bankruptcy, insolvency, receivership or similar event of the Department,

(xii) the consummation of a merger, consolidation or acquisition involving the Department or the sale of all or substantially all of the assets of the Department, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material,

(xiii) appointment of a successor or additional trustee or the change of name of a trustee, if material,

(xiv) incurrence of a Financial Obligation of the Department, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Department, any of which affect Bondholders, if material, and

(xv) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Department, any of which reflect financial difficulties.

(b) The Department agrees to provide, or cause the Dissemination Agent to provide, in a timely manner, not in excess of 10 business days after the occurrence of a Listed Event, notice of such occurrence with the Continuing Disclosure Service in electronic format as prescribed by the MSRB.

Section 5. Termination of Reporting Obligation.

The Department's obligations under this Disclosure Agreement shall terminate upon the payment in full of all of the Bonds either at their maturity or by early redemption. In addition, the Department may terminate its obligations under this Disclosure Agreement if and when it no longer remains an obligated person with respect to the Bonds within the meaning of the Rule.

Section 6. Amendment.

The Department may provide further or additional assurances that will become part of the Department's obligations under this Disclosure Agreement. In addition, this Disclosure Agreement may be amended by the Department in its discretion *provided* that (i) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Department as the obligated person with respect to the Bonds, or in the type of business conducted; (ii) this Disclosure Agreement, as amended, would have complied with the requirements of the Rule at the time of the issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iii) the amendment does not materially impair the interests of holders of the Bonds, as determined by counsel selected by the Department that is expert in federal securities law matters. The reasons for the Department agreeing to provide any further or additional assurances or for any amendment and the impact of the change in the type of operating data or financial information being provided will be explained in information provided with the annual financial information containing additional or amended operating data or financial information.

Section 7. Additional Information.

Nothing in this Disclosure Agreement shall be deemed to prevent the Department from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any disclosure made pursuant to Section 3 hereof or notice of occurrence of an event in addition to the Listed Events. If the Department chooses to include any information in any disclosure made pursuant to Section 3 hereof or notice of occurrence of an event in addition to the Listed events, the Department shall have no obligation under this Disclosure Agreement to update such information or include it in any future disclosure made pursuant to Section 3 or 4 hereof.

Section 8. Law of Maryland.

This Disclosure Agreement, and any claim made with respect to the performance by the Department of its obligations hereunder, shall be governed by, be subject to and be construed according to the laws of the State of Maryland (without regard to provisions on conflicts of laws) or federal law.

Section 9. Limitation of Forum.

Any suit or other proceeding seeking redress with regard to any claimed failure by the Department to perform its obligations under this Disclosure Agreement must be filed in the Circuit Court for Anne Arundel County, Maryland.

Section 10. Dissemination Agent.

The Department may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Department pursuant to this Disclosure Agreement. If at any time there is not any other designated Dissemination Agent, the Department shall be the Dissemination Agent.

Section 11. Limitation On Remedies.

The Department shall be given written notice at the address set forth below of any claimed failure by the Department to perform its obligations under this Disclosure Agreement, and the Department shall be given 45 days to remedy any such claimed failure. Any suit or other proceeding seeking further redress with regard to any such claimed failure by the Department shall be limited to specific performance as the adequate and exclusive remedy available in connection with such action. Written notice to the Department shall be given to the Secretary of

Transportation, 7201 Corporate Center Drive, Hanover, MD 21076, with a copy to the Chief Financial Officer, Office of Finance, Maryland Department of Transportation, 7201 Corporate Center Drive, Hanover, MD 21076, or at such alternate address as shall be specified by the Department with disclosures made pursuant to Section 3 hereof or a notice of occurrence of a Listed Event.

Section 12. Duty to Update EMMA/MSRB.

Unless otherwise required by the MSRB, all filings with the MSRB shall be made with EMMA and shall be accompanied by identifying information as prescribed by the MSRB. The Department agrees that it shall determine, in the manner it deems appropriate, whether there has occurred a change in the MSRB's e-mail address or filing procedures and requirements under EMMA each time it is required to file information with the MSRB.

Section 13. Recordkeeping.

The Department agrees that it shall maintain records of all disclosures of annual financial and operating information pursuant to Section 3 above and disclosures of the occurrence of Listed Events pursuant to Section 4 above, including the content of such disclosures, the names of the entities with whom such disclosures were filed and the dates of filings such disclosures.

Section 14. Relationship to Bonds.

This Disclosure Agreement constitutes an undertaking by the Department that is independent of the Department's obligations with respect to the Bonds. Any breach or default by the Department under this Disclosure Agreement shall not constitute or give rise to a breach or default under the Bonds.

Section 15. Beneficiaries.

This Disclosure Agreement shall inure solely to the benefit of the Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

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IN WITNESS WHEREOF this Disclosure Agreement is being executed by the Secretary of Transportation on behalf of the Department as of this ___ day of February 2021.

MARYLAND DEPARTMENT OF TRANSPORTATION

By: ______________________________________
Gregory Slater
Secretary of Transportation

SCHEDULE A

ANNUAL FINANCIAL INFORMATION AND OPERATING DATA

The following information with respect to BWI Marshall Airport shall be provided for within 275 days after the last day of the Department's fiscal years, commencing with the fiscal year ending June 30, 2021, to the extent that it is not otherwise included in the CAFR or other document in which the annual audited financial statements are filed with the Continuing Disclosure Service or with the SEC. References to tables and other information are to such charts or other information included in the Official Statement.

1. Number of destinations to which nonstop service is provided as of the last day of such fiscal year

2. Passenger airlines serving the airport as of the last day of such fiscal year

3. Information regarding enplanements of the type shown in the table entitled "Historical Enplaned Passengers" for such fiscal year

4. MAA financial information of the type shown in the table entitled "Historical Operating Revenue and Expenses" for such fiscal year

5. Information regarding sources of revenue of the type shown in the table entitled "Historical Airline Revenue and Non-Airline Revenue" for such fiscal year

6. Cost per enplaned passenger for such fiscal year

7. Airlines that have entered into the Airline Agreement and percentage of total enplaned passengers accounted for in such fiscal year represented by each such airline

8. Costs of capital expenditures paid for by the MAA and the Transportation Trust Fund during such fiscal year

APPENDIX D

REPORT OF THE AIRPORT CONSULTANT

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Appendix D

REPORT OF THE AIRPORT CONSULTANT

on the proposed issuance of

MARYLAND DEPARTMENT OF TRANSPORTATION

SPECIAL TRANSPORTATION PROJECT REFUNDING REVENUE BONDS
(Baltimore/Washington International Thurgood Marshall Airport)
Series 2021A

Prepared for

Maryland Department of Transportation
Maryland Aviation Administration

Prepared by

LeighFisher
San Francisco, California

January 28, 2021

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Leigh|Fisher

January 28, 2021

Mr. Gregory Slater
Secretary
Maryland Department of Transportation
7201 Corporate Center Drive
Hanover, Maryland 21076

Mr. Ricky D. Smith, Sr.
Executive Director
Maryland Aviation Administration
Baltimore/Washington International Thurgood Marshall Airport
P.O. Box 8766
BWI Airport, Maryland 21240-0766

Re: **Report of the Airport Consultant**
Maryland Department of Transportation
Special Transportation Project Refunding Revenue Bonds
(Baltimore/Washington International Thurgood Marshall Airport)
Series 2021A

Dear Mr. Slater and Mr. Smith:

We are pleased to submit this Report of the Airport Consultant on certain aspects of the proposed issuance by the Maryland Department of Transportation (MDOT) of its Special Transportation Project Refunding Revenue Bonds (Baltimore/Washington International Thurgood Marshall Airport), Series 2021A (2021A Refunding Bonds).

The 2021A Refunding Bonds are to be issued on behalf of the Maryland Aviation Administration (MAA), a unit of MDOT and operator of Baltimore/Washington International Thurgood Marshall Airport (Airport or BWI), a large-hub commercial service airport, and Martin State Airport, a joint civilian-military airport. The Airport and Martin State Airport comprise the Airport System. This letter and the accompanying attachment and financial exhibits constitute our report.

Bonds secured by certain Airport revenues have been issued in the past to finance certain of the costs of Airport capital improvements by other agencies of the State of Maryland (State), in particular the Maryland Transportation Authority (MDTA) and the Maryland Economic Development Corporation (MEDCO).

Certain of the proceeds of the 2021A Refunding Bonds, referred to in this report as the 2021A-1 Refunding Bonds, are to be used to refund all of the approximately $101.1 million outstanding principal amount of bonds issued by MDTA in 2012

(2012AB MDTA Parking Revenue Bonds), which refunded bonds issued in 2002 to finance certain of the costs of a parking garage and other projects at the Airport.

Other proceeds of the 2021A Refunding Bonds, referred to in this report as the 2021A-2 Bonds, are to be used to refund all of the approximately $115.0 million outstanding principal amount of bonds issued by MEDCO in 2012 (2012 MEDCO Lease Revenue Bonds), which refunded bonds issued in 2003 to finance certain of the costs of constructing Concourses A and B at the Airport passenger terminal.

This report also addresses the planned issuance by MDOT of Additional Bonds in 2021 and 2022 (2021-2022 Bonds) to fund approximately $425 million of the costs of constructing an expansion of the Airport passenger terminal to accommodate a passenger connector between Concourses A and B, an expanded and improved baggage handling system, and other terminal development (collectively, 2021 Project).

Trust Agreement

The 2021A Refunding Bonds are to be the first series of Revenue Bonds (Bonds) issued pursuant to the provisions of a Trust Agreement dated as of February 1, 2021, between MDOT and Zions Bancorporation, National Association (Trustee). Except as otherwise defined in this report, capitalized terms used herein are as defined in the Trust Agreement.

The 2021A Refunding Bonds, planned 2021-2022 Bonds, and other future Additional Bonds are to be secured and payable from the Pledged Revenues of the Airport System. Pledged Revenues are defined as Operating Revenues plus Investment Income.

Upon the issuance of the 2021A Refunding Bonds and the refunding of the 2012AB MDTA Parking Revenue Bonds and 2012 MEDCO Lease Revenue Bonds, the Bonds issued under the Trust Agreement will be the only bonds payable from MAA's Operating Revenues.

Rate Covenant

In Section 5.03 of the Trust Agreement, MDOT covenants that it will cause MAA to establish and collect rentals, fees and charges for the use and occupancy of the Airport System and collect Operating Revenues so as to ensure that Net Pledged Revenues (Pledged Revenues less Operating Expenses) in each Bond Year will be at least 125% of the Debt Service Requirements of outstanding Bonds and 100% of the

Debt Service Requirements of all outstanding Other Obligations. Such provision is referred to as the Rate Covenant. The Bond Year under the Trust Agreement ends August 1 and, for purposes of budgeting and rate-setting, in effect coincides with MAA's Fiscal Year (FY), which ends June 30.

Airline Agreement

Effective July 1, 2019, MAA and the airlines accounting for substantially all the passengers and landed weight at the Airport (Airlines) entered into a new use and lease agreement (Airline Agreement). The Airline Agreement provides for the calculation of landing fees under a residual rate-making methodology and most terminal rentals under a commercial-compensatory rate-making methodology to ensure that MAA recovers all costs attributable to Airline use and occupancy of the Airport. The 2021 Project is part of the pre-approved capital improvement program agreed to in the Airline Agreement, ensuring that the allocable Debt Service Requirements of the planned 2021-2022 Bonds are included in the calculation of terminal rentals and use charges.

The Airline Agreement contains an Extraordinary Coverage Payments provision under which MAA may increase Airline rentals, fees, and charges as necessary to ensure that the debt service coverage requirement of the Rate Covenant is met.

Rental Car Customer Facility Charge Bonds

MAA imposes a customer facility charge (CFC) on the customers of rental car companies operating at the Airport's consolidated rental car facility. The CFC is currently assessed at $3.75 per rental car transaction-day. In 2002, MDTA issued CFC-backed bonds on behalf of MAA to finance certain of the costs of the rental car facility. The bonds, approximately $73 million of which are outstanding, are secured and payable solely from CFC revenues. CFC revenues are excluded from Pledged Revenues under the Trust Agreement, will not secure the 2021A Refunding Bonds, planned 2021-2022 Bonds, or any future parity Additional Bonds, and are not considered further in this report.

Passenger Facility Charge Revenue Bonds

MAA imposes a passenger facility charge (PFC) on eligible passengers enplaning at the Airport. The PFC is currently assessed at $4.50 per passenger. Since 2012, MDTA has issued several series of PFC-backed bonds on behalf of MAA, which are outstanding in the aggregate principal amount of approximately $270 million. Proceeds of the PFC-backed bonds have financed various Airport capital improvements, including an expansion of Concourse A at the passenger terminal.

The PFC-backed bonds are secured and payable solely from PFC revenues. PFC Revenues are excluded from Pledged Revenues under the Trust Agreement, will not secure the 2021A Refunding Bonds, planned 2021-2022 Bonds, or any future parity Additional Bonds, and are not considered further in this report.

SCOPE OF REPORT

This report was prepared to evaluate the ability of MAA to generate sufficient Net Pledged Revenues from the Airport System to pay the Debt Service Requirements of the 2021A Refunding Bonds and planned 2021-2022 Bonds and meet the debt service coverage requirement of the Rate Covenant. The report covers a projection period through FY 2026, after the scheduled completion of the 2021 Project in FY 2025.

The report was prepared in the context of the widespread economic disruption, public health restrictions, and reductions in airline travel that have resulted, beginning in early 2020, from the novel coronavirus (COVID-19) pandemic. Uncertainties remain about containment or resurgence of the pandemic, development, availability, and acceptance of effective treatment therapies and vaccines, public health and quarantine mandates, social distancing requirements, international travel restrictions, the nature and pace of economic recovery, and future airline industry structure and capacity. While most economic and airline industry analysts expect recovery of airline travel to pre-pandemic levels, there is a range of views as to how long such recovery will take.

In light of these uncertainties, developing meaningful forecasts of air traffic demand for the Airport is difficult. This report does not present forecasts based on an analysis of the economic outlook for the region served, the outlook for airline service, and other key factors that will affect future traffic in the long term. Rather, for the purposes of preparing the financial projections, we adopted a range of hypothetical scenarios for passenger traffic recovery over the next one to three years that is generally consistent with the range of estimates made recently by various airline industry and bond credit analysts.

In preparing the report, we analyzed:

- Future airline traffic at the Airport for the adopted range of passenger traffic recovery scenarios

- Estimated sources and uses of Bond funds for the 2021 Project and associated annual Bond Debt Service Requirements of the planned 2021-2022 Bonds

- Historical relationships among revenues, expenses, and airline traffic at the Airport
- The facilities to be provided by the 2021 Project
- Other operational considerations affecting Airport revenues and expenses
- MAA's policies and contractual agreements relating to the use and occupancy of airfield, terminal, and other airline facilities, including the calculation of rentals, fees, and charges under the Airline Agreement
- MAA's policies and contractual agreements relating to the operation of other Airport services and concessions, including public parking, rental car concessions, and terminal concessions

We also identified key factors upon which the future financial results of the Airport System may depend under the adopted range of traffic recovery scenarios, and formulated assumptions about those factors. On the basis of those assumptions, we assembled the financial projections presented in the exhibits at the end of the report. Estimates of project costs, financing assumptions, and debt service requirements were provided by the sources noted in the exhibits.

Projected Debt Service Coverage

As shown in Exhibit F, Net Pledged Revenues are projected to be sufficient to meet the funding requirements of the Trust Agreement, including the Debt Service Requirements of the 2021A Refunding Bonds and planned 2021-2022 Bonds. The debt service coverage ratio for Bonds is projected to exceed the 125% requirement of the Rate Covenant in each year of the projection period.

The projections presented in this report are based on the adopted range of passenger traffic recovery scenarios and information and assumptions that were provided by or reviewed with and agreed to by MAA Airport management. The projections reflect Airport management's expected course of action during the projection period, given the range of passenger traffic recovery scenarios, and, in Airport management's judgment, present fairly the expected financial results of the Airport System, given that range of scenarios. Those key factors and assumptions that are significant to the projections are set forth in the attachment, "Background, Assumptions, and Rationale for the Financial Projections." The attachment should be read in its entirety for an understanding of the projections and the underlying assumptions.

In our opinion, the underlying assumptions provide a reasonable basis for the projections. However, any projection is subject to uncertainties. Inevitably, some assumptions will not be realized and unanticipated events and circumstances may occur. Therefore, there will be differences between the projected and actual results, and those differences may be material. Neither LeighFisher nor any person acting on our behalf makes any warranty, express or implied, with respect to the information, assumptions, projections, opinions, or conclusions disclosed in this report. We have no responsibility to update the report to reflect events and circumstances occurring after the date of the report.

* * * * *

We appreciate the opportunity to serve as Airport Consultant to MDOT and MAA.

Respectfully submitted

LeighFisher

LEIGHFISHER

Attachment

BACKGROUND, ASSUMPTIONS, AND RATIONALE
FOR THE FINANCIAL PROJECTIONS

REPORT OF THE AIRPORT CONSULTANT

on the proposed issuance of

MARYLAND DEPARTMENT OF TRANSPORTATION

SPECIAL TRANSPORTATION PROJECT REFUNDING REVENUE BONDS
(Baltimore/Washington International Thurgood Marshall Airport)
Series 2021A

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CONTENTS *(continued)*

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FIGURES

EXHIBITS

AIRPORT FACILITIES AND CAPITAL IMPROVEMENTS

AIRPORT FACILITIES

Baltimore/Washington International Thurgood Marshall Airport occupies a 3,596-acre site in Anne Arundel County, Maryland, approximately 9 miles by road south of central Baltimore, Maryland, and 32 miles northeast of central Washington, D.C. Access to the Airport is provided by, among other roads, Interstate 95, which provides access to the Airport site from the north via Interstate 195. Light rail service is provided by the Maryland Transit Administration (MTA) from a station at the Airport passenger terminal north to central Baltimore and Hunt Valley (approximately 22 miles north of central Baltimore), and south to Cromwell (approximately 5 miles south of the Airport). Amtrak and MTA Maryland Area Regional Commuter (MARC) trains provide service from the BWI Marshall Rail Station to Penn Station in Baltimore and Union Station in Washington, D.C. MAA provides free shuttle service between the Amtrak/MARC station and the Airport passenger terminal.

Airfield

The Airport has three runways and an associated system of taxiways. The runways used for airline operations are east-west Runway 10-28, 10,502 feet long, and northwest-southeast Runway 15R-33L, 9,500 feet long. Parallel northwest-southeast Runway 15L-33R, 5,000 feet long, is used for general aviation operations.

Passenger Terminal

The passenger terminal provides approximately 2.5 million square feet of space and 72 active loading-bridge-equipped aircraft gates at five concourses. Table 1 shows the distribution and use of gates by airline as of July 2019, the most recent busy summer month before the onset of the COVID-19 pandemic. All gates are preferentially leased or common use.

Concourse A provides 11 gates and Concourse B provides 14 gates, all used by Southwest Airlines. Concourse C provides 14 gates used mainly by American Airlines and Southwest. Concourse D provides 22 gates used mainly by Alaska Airlines, Allegiant Airlines, Air Canada, Delta Air Lines, Frontier Airlines, JetBlue, Spirit Airlines, and United Airlines. Three of the 22 Concourse D gates are connected by a sterile corridor to the international arrivals hall and may be used for domestic or international flight arrivals. Concourse E provides 11 international-capable gates, five of which can accommodate widebody aircraft.

Concourse E gates are used for all international flight arrivals and for departures by military charter flights of Air Mobility Command, British Airways, and other charter and foreign flag airlines. Four of the 11 Concourse E gates do not have holdrooms and are used only for arriving flights (mainly by domestic airlines that operate their flight departures from gates at other concourses). In July 2019, there were 1.2 daily international arrivals per gate on the 14 common use gates at Concourses D and E (versus 0.1 daily international departures).

Table 1
DISTRIBUTION OF GATES AND USE BY AIRLINE
Baltimore/Washington International Thurgood Marshall Airport
As scheduled for July 2019

	Number of gates *(a)* Concourse						Average daily Departures		Average daily departing seats	
	A	B	C	D	E *(b)*	Total	Number	Per gate	Number	Per gate
Preferentially leased										
Southwest Airlines *(c)*	11	14	7	--	--	32	210	6.6	31,841	995.0
Spirit Airlines *(c)*	--	--	--	5	--	5	33	6.5	5,852	1,170.4
Delta Air Lines	--	--	--	5	--	5	28	5.6	3,710	742.0
American Airlines	--	--	5	--	--	5	23	4.6	3,106	621.3
United Airlines	--	--	--	3	--	3	11	3.5	1,728	576.0
Alaska Airlines *(c)*	--	--	--	1	--	1	6	6.0	1,036	1,036.1
JetBlue Airways	--	--	--	1	--	1	5	5.1	513	512.9
Subtotal	11	14	12	15	--	52	316	6.1	47,786	919.0
Common use										
International *(d)*	--	--	--	3	11	14	2	0.1	405	28.9
Domestic *(e)*	--	--	2	4	--	6	19	3.2	727	121.2
Subtotal	--	--	2	7	11	20	21	1.0	1,132	56.6
Airport total	11	14	14	22	11	72	336	4.7	48,918	679.4

Note: Columns may not add to totals shown because of rounding.

(a) Active loading-bridge-equipped aircraft parking positions.
(b) Four gates at Concourse E do not have holdrooms and are used for arriving (but not departing) international flights.
(c) Includes departures and departing seats to both domestic and international destinations.
(d) Gates used for departures by Air Mobility Command, British Airways, and other foreign flag airlines and international arrivals by all airlines (other than precleared).
(e) Three gates at Concourse D are "swing gates," available for domestic and international departures and arrivals. Common use gates are used regularly by Air Canada, Allegiant Airlines, Contour Airlines, and Frontier Airlines.

Sources: Average daily departures and seats: OAG Aviation Worldwide Ltd, OAG Analyser database, accessed February 2020.
Number of gates by airline and concourse: Maryland Aviation Administration records.

Passenger Terminal Development 2012-2018

The passenger terminal has recently been developed and modernized in phases in accordance with a 2011 update to the Airport master plan.

Concourse B-C Connector. B-C Connector projects were approved by the Federal Aviation Administration (FAA) under PFC Application 9 and funded in part with the proceeds of the MDTA 2012A PFC Bonds. An expanded passenger security screening checkpoint was constructed to serve Concourses B and C and a connector was constructed post-security screening to allow passengers to move between Concourses A, B, and C without having to be rescreened. Also as part of the B-C Connector projects, Concourse C was upgraded and widened to provide larger holdrooms at three gates. The B-C Connector projects were completed in 2014.

Concourse D-E Connector. D-E Connector projects were approved under PFC Application 11 and funded in part with the proceeds of the MDTA 2014 PFC Bonds. The D-E Connector projects included construction of a consolidated passenger security screening checkpoint to serve Concourses D and E, a post-security screening corridor between Concourse D and E, and a sterile corridor from three Concourse D gates to the international arrivals hall allowing the gates to be used for international or domestic flights. Also, a 90-foot extension to Concourse E was constructed as the first phase of a project to provide additional international gates (as described in the following paragraph). The D-E Connector projects were completed in 2017.

International Concourse. Among International Concourse projects approved under PFC Application 12 and funded in part with PFC revenues pay-as-you-go, Concourse E was extended by another 150 feet and six additional international-capable gates were constructed. Projects also included the construction of the aircraft parking apron and acquisition of passenger loading bridges for the additional gates. The International Concourse projects were completed in 2018.

Public Parking Facilities

Public parking facilities at the Airport provide approximately 24,800 spaces at an hourly garage located adjacent to the terminal, a daily garage, an express parking lot, and remote long-term lots served by shuttle buses. The hourly parking garage is connected directly to the terminal by three enclosed walkways and a pedestrian tunnel. Public parking facilities are further described in the later section "Parking and Ground Transportation Revenues."

Rental Car Facility

Rental car services at the Airport are provided from a consolidated rental car facility that opened in 2003. The facility accommodates the operations of all the national rental car companies and is managed and operated by a consortium of the companies. It provides approximately 8,300 rental car ready-return spaces, as well as maintenance and storage facilities, and is accessible by a ten-minute shuttle bus ride from the passenger terminal.

Cargo Facilities

Eleven air cargo buildings at the Airport together provide approximately 675,000 square feet of cargo space. Cargo Building H, providing 200,000 square feet of space for Amazon Air, opened in October 2019. All-cargo airlines with major operations at the Airport are ABX Air (which operates for Amazon Air), Atlas Air (which also operates for Amazon Air), Federal Express, and UPS Cargo.

General Aviation Facilities

General and business aviation facilities are located on 22 acres at the northeast side of the Airport adjacent to Runway 15L-33R. Commercial fixed base operator services are provided by Signature Flight Support. Approximately 50 general aviation aircraft are based at the Airport and approximately 12,200 general aviation operations (landings and takeoffs) occurred in 2019.

MARTIN STATE AIRPORT

Martin State Airport is a joint civilian-military public use airport and designated reliever airport for BWI. Martin State occupies a 750-acre site approximately nine miles east of central Baltimore and was formerly the site of the Glenn Martin Company (later Martin-Marietta), which produced military aircraft there until the 1960s. The airport was purchased by the State in 1975.

Martin State Airport has a 7,000-foot long Runway 15-33 and handled approximately 94,700 aircraft operations (landings and takeoffs) in 2019, 97% of them by general aviation aircraft. Approximately 260 general aviation aircraft are based at the airport, which has two flight training schools. The airport is the base for a wing of the Maryland Air National Guard and hosts helicopter operations by the Maryland State Police, Baltimore County Police, and Baltimore City Police.

SIX-YEAR CAPITAL PROGRAM

MAA maintains a six-year capital program for the Airport System. The capital program for FY 2021 through FY 2026 includes primary construction projects with estimated costs totaling $690 million, including $430 million for the 2021 Project. Funding for the six-year capital program is to be provided from the State Transportation Trust Fund (TTF), the proceeds of the MDTA PFC-backed bonds issued in 2019, PFC revenues expended pay-as-you-go, federal grants, MDTA loans, and the proceeds of the planned 2021-2022 Bonds. Such sources are discussed in the later sections “Sources of Capital Funds” and “Sources and Uses of Bond Funds for 2021 Project.”

The 2019 PFC Project

A program of improvement to the passenger terminal, collectively referred to as Concourse A Improvements (Phase II) or the 2019 PFC Project, are mostly to be completed through 2023. These projects were approved under PFC Application 13 and are being funded largely with the proceeds of the MDTA 2019 PFC Bonds.

Concourse A Extension. Concourse A was extended by approximately 230 feet to provide 55,000 square feet of additional space on two levels. The extension provided five gates with holdrooms sized to accommodate 175-seat B-737-800 and B-737 MAX 8 aircraft. Additional restrooms, concession facilities, and supporting electrical and mechanical facilities were provided. MAA is leasing the gates to Southwest on a preferential-use basis. The additional five gates are substantially complete and MAA expects that they will be brought into use in March 2021, allowing the five Southwest gates being reconstructed as part of the 2021 Project to be taken out of service with no net loss of gates during construction.

Restroom Improvement Program. Under a multi-year program of improvements, 64 public restrooms are to be renovated and nursing stations installed in the passenger terminal (projects expected to be completed in April 2021 through December 2024).

FIS Hall Reconfiguration. The existing approximately 60,000 square-foot international arrivals hall accommodating federal inspection services (FIS Hall) is to be enlarged to approximately 72,000 square feet to accommodate increased numbers of arriving international passengers. The FIS Hall is also to be reconfigured to accommodate new passenger screening processes and technologies. The FIS Hall project has been deferred pending the recovery of passenger traffic post-pandemic.

Concourse A/B Modifications for B-737-800. Holdrooms serving six gates at Concourses A and B have been enlarged to address capacity deficiencies resulting from Southwest's introduction into service of 175-seat B-737-800 and B-737 MAX 8 aircraft to replace earlier-generation B-737 aircraft, typically with 137 seats. A new egress stair has also been constructed to comply with life safety codes. All elements of the project were completed in December 2019.

Concourse D HVAC Replacement. Heating, ventilation, air-conditioning, and cooling (HVAC) systems and equipment serving portions of Concourse D are to be replaced and upgraded as they have reached and exceeded their useful lives. The project, originally estimated to be completed by November 2022, has been deferred.

THE 2021 PROJECT

The $430 million costs of the planned project to construct the Concourse A/B Connector and Baggage Handling System (BHS) Project (2021 Project), account for approximately 62% of the costs of MAA's six-year primary construction program.

The 2021 Project is expected to be funded with the proceeds of the planned 2021-2022 Bonds ($425 million) and TTF funds ($5 million) and is scheduled to be completed by July 2025, at the beginning of FY 2025.

As planned, the 2021 Project involves the addition of 117,000 square feet and the renovation of 110,000 square feet of terminal building space between Concourses A and B. The addition is planned to be constructed at two levels, apron and departures.

The apron level will be enlarged by 49,000 square feet to accommodate a new in-line baggage screening and handling system providing up to eight explosive detection system machines meeting the latest security standards. The improved system will increase throughput capacity from 2,100 to 3,800 bags per hour. The enlarged apron level space will also accommodate new outbound baggage make-up facilities and airline operations areas. Mechanical, electrical, communications, and fire-life-safety systems will be upgraded.

The departures level will be enlarged by 68,000 square feet to allow the relocation and expansion of the holdrooms at five gates to accommodate the passenger loads expected with the use of 175-seat B-737-800 and B-737 MAX 8 aircraft, provide a direct passenger connector between Concourses A and B, and provide an additional 4,400 square feet of concession space. Two new restroom cores will be constructed.

Sitework and enabling projects include an upgrade to the central utility plant to provide the additional HVAC capacity required for the enlarged terminal building. The aircraft parking apron pavement at the five gates will be reconstructed.

ECONOMIC BASIS FOR AIRLINE TRAFFIC DEMAND

AIRPORT SERVICE REGION

As shown on Figure 1, the primary region served by the Airport consists of the Maryland counties of Anne Arundel, Baltimore, Carroll, Harford, Howard, and Queen Anne's as well as Baltimore City (Baltimore-Columbia-Towson Metropolitan Statistical Area or Baltimore MSA). According to the U.S. Department of Commerce, Bureau of the Census, the population of the Baltimore MSA in 2019 was 2.8 million, accounting for approximately 46% of Maryland's population of 6.0 million. In 2019, the Baltimore MSA was the 21st largest MSA in the nation.

The secondary region served by the Airport consists of the District of Columbia and 18 counties and 6 cities in the states of Maryland, Virginia, and West Virginia (Washington-Arlington-Alexandria, DC-VA-MD-WV MSA or Washington, D.C., MSA) as well as parts of southern Pennsylvania and Delaware. In 2019, the population of the Washington, D.C., MSA was 6.3 million.

According to U.S. DOT, *Air Passenger Origin-Destination Survey* data for FY 2019, approximately 56% of passengers originating their air journeys at the Airport were residents of the Baltimore-Washington region and 44% were visitors. According to a passenger survey conducted for MAA in 2019, among residents, approximately 45% were from the Baltimore MSA, 30% were from the Washington, D.C., MSA, and 25% were from other parts of the secondary region.

Because economic activity within the Baltimore and Washington, D.C., MSAs largely determines passenger demand at the Airport, demographic and economic data for both MSAs are presented and discussed in the following sections, although the emphasis of the discussion is on the Baltimore MSA.

The Airport's secondary service region is also served by Reagan National Airport (DCA or Reagan) and Washington Dulles International Airport (IAD or Dulles), 40 and 57 road miles, respectively, from central Baltimore. Air service and airfares at the three regional airports are discussed in the later section, "Airport Role." Other factors influencing the use of BWI by passengers from the secondary service region are the relative ease of access to and cost of parking at the three airports.

The availability of generally lower airfares at BWI contributes to its use predominantly by leisure travelers. According to MAA's 2019 passenger survey, approximately 68% of originating passengers at BWI were traveling for vacation, pleasure, and other non-business purposes and 32% were traveling for business purposes.

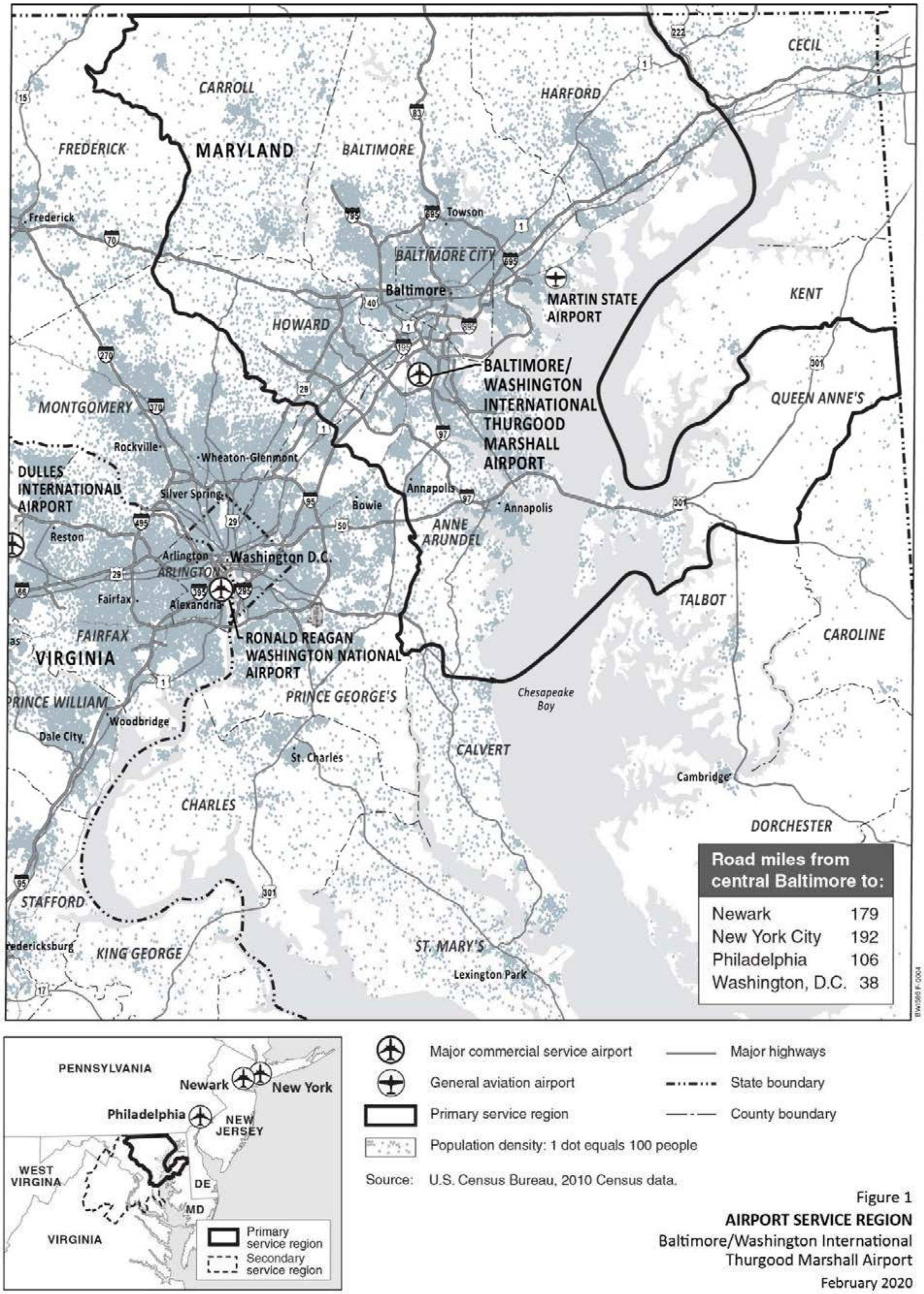


Figure 1
AIRPORT SERVICE REGION
Baltimore/Washington International
Thurgood Marshall Airport
February 2020

HISTORICAL SOCIOECONOMIC INDICATORS

In general, the population and economy of an airport's service region are the primary determinants of originating passenger numbers at the airport. Connecting passenger numbers are primarily determined by airline decisions to provide connecting service at the airport. As discussed in the later section "Historical Airline Traffic," approximately 74% of the Airport's enplaned passengers are originating and 26% are connecting between flights.

Table 2 shows historical data on population, nonagricultural employment, per capita income, and per capita GDP for the Baltimore MSA, the Washington, D.C., MSA, and the nation. The following subsections provide a discussion of the economic basis for passenger traffic at the Airport in terms of historical socioeconomic data and the employment profile of the Baltimore MSA by industry sector.

Population

As shown in Table 2, the population of the Baltimore MSA was 2.800 million in 2019, up from 2.668 million in 2007 (an increase of 5.0%). The increase in population was less than for the nation over the same period (9.0%).

Nonagricultural Employment

As shown in Table 2, from 2007 to 2019, nonagricultural employment in the Baltimore MSA increased 8.4%, an increase less than that for the nation (9.4%). Employment in the MSA increased 5.4% between 2000 and 2007 (compared with a 4.5% increase for the nation) and was less affected by the 2008-2009 recession, decreasing 3.3% between 2007 and 2010 (compared with a 5.5% decrease for the nation). Between 2010 and 2019 employment growth slowed in the MSA, increasing an average of 1.3% per year (compared with an average of 1.6% per year for the nation).

Employment by industry sector is discussed in the later section "Economic Profile by Industry Sector."

Unemployment Rates

As shown on Figure 2, the unemployment rate for the Baltimore MSA has historically been lower than that for the United States. Between 2014 and the first quarter of 2020, the unemployment rate in the Baltimore MSA closely followed the national trend. In April 2020, as the COVID-19 pandemic caused widespread economic disruption, the unemployment rate for the nation increased to 14.4% and the rate for the Baltimore MSA increased to 10.1%. Unemployment rates have since decreased and as of November 2020, the rates for the nation and for the MSA were 6.4% and 6.1%, respectively.

Per Capita Income

As shown in Table 2, in 2007, per capita personal income in the Baltimore MSA (in 2019 dollars) was $57,737, 17.5% higher than for the nation ($49,128). From 2007 to 2019, per capita income in the Baltimore MSA increased 10.8% compared with an increase of 15.0% for the nation. In 2019, per capita personal income in the Baltimore MSA was $63,988, 13.3% higher than for per capita GDP the nation ($56,490).

Gross Domestic Product

Between 2007 and 2019, per capita GDP for the Baltimore MSA increased 16.2% compared with an increase of 10.4% for the nation. In 2019, per capita GDP for the Baltimore MSA was $76,958,17.9% greater than the nation ($65,298).

Table 2

HISTORICAL SOCIOECONOMIC DATA

	Population (thousands)			Nonagricultural employment (thousands)			Per capita personal income (2019 dollars)			Per capita gross domestic product (2019 dollars)		
	Baltimore MSA	Wash D.C. MSA	United States	Baltimore MSA	Wash D.C. MSA *(a)*	United States	Baltimore MSA	Wash D.C. MSA	United States	Baltimore MSA	Wash D.C. MSA	United States
2000	2,558	4,876	282,162	1,248	2,693	132,024	51,434	63,193	45,515	n.a.	n.a.	53,945
2005	2,644	5,287	295,517	1,285	2,933	134,051	55,521	67,587	46,928	64,741	86,813	57,748
2006	2,658	5,332	298,380	1,304	2,984	136,453	56,891	68,847	48,334	66,315	86,208	58,713
2007	2,668	5,386	301,231	1,316	3,008	137,999	57,737	69,494	49,128	66,222	86,359	59,155
2008	2,680	5,458	304,094	1,312	3,021	137,241	57,390	68,867	48,571	64,861	85,716	57,451
2009	2,696	5,561	306,772	1,272	2,970	131,313	56,673	67,329	46,814	66,007	86,677	56,128
2010	2,716	5,678	309,322	1,273	2,981	130,345	57,116	68,482	47,538	67,103	86,677	56,825
2011	2,734	5,782	311,557	1,294	3,024	131,914	57,959	69,847	48,576	66,870	85,317	56,699
2012	2,755	5,879	313,831	1,315	3,061	134,157	58,093	70,047	49,668	66,940	84,254	57,469
2013	2,768	5,963	315,994	1,333	3,086	136,364	57,302	67,288	49,231	67,413	82,907	58,294
2014	2,780	6,032	318,301	1,343	3,103	138,940	58,575	68,335	50,833	68,605	83,104	59,466
2015	2,790	6,094	320,635	1,366	3,159	141,825	60,670	71,148	52,874	71,581	85,602	61,310
2016	2,794	6,149	322,941	1,386	3,218	144,336	61,708	72,383	53,276	73,617	87,081	61,731
2017	2,799	6,211	324,988	1,401	3,268	146,608	62,344	72,674	54,358	74,272	87,132	62,644
2018	2,801	6,248	326,688	1,417	3,308	148,908	63,137	73,651	55,595	75,353	87,834	64,138
2019	2,800	6,280	328,240	1,427	3,352	150,939	63,988	74,385	56,490	76,958	89,016	65,298
	Average annual percent increase (decrease)											
2000-2007	0.6%	1.4%	0.9%	0.8%	1.6%	0.6%	1.7%	1.4%	1.1%	n.c.	n.c.	1.3%
2007-2010	0.6	1.8	0.9	(1.1)	(0.3)	(1.9)	(0.4)	(0.5)	(1.1)	0.4	0.1	(1.3)
2010-2019	0.3	1.1	0.7	1.3	1.3	1.6	1.3	0.9	1.9	1.5	0.3	1.6

n.a. = not available, n.c. = not calculated.

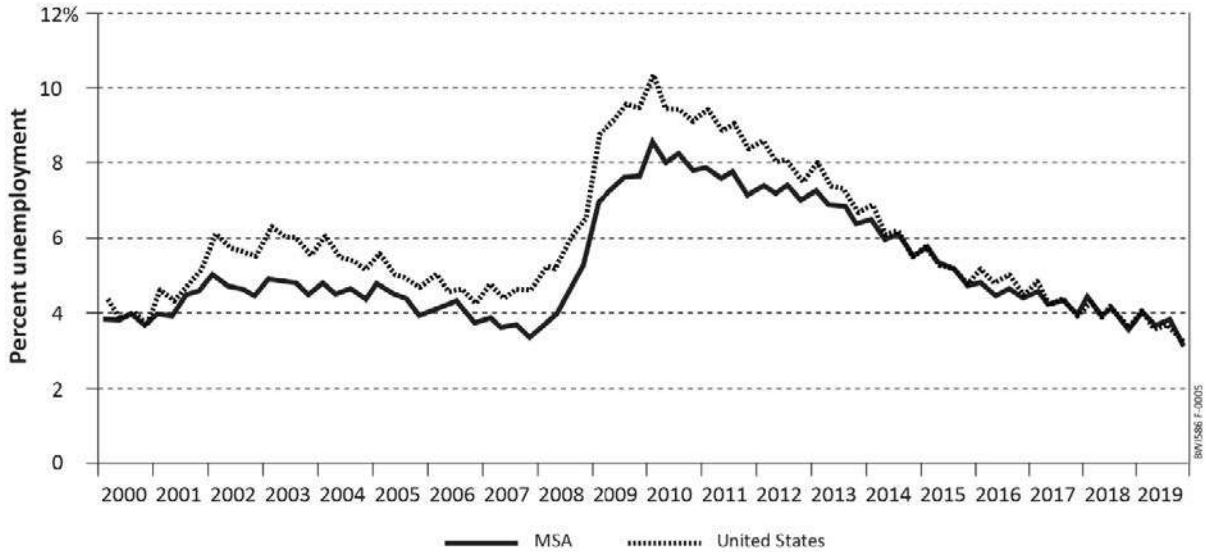
Baltimore MSA = Metropolitan Statistical Area comprising Baltimore City and the other 6 counties shown on Figure 1 for all years.
Washington, D.C. MSA = Metropolitan Statistical Area comprising 24 counties and independent cities (plus the District of Columbia) for all years.

Notes: Population numbers are estimated as of July 1 each year.
Calculated percentages may not match those shown because of rounding.

(a) Employment data for 2000 for Madison County, Virginia, are not available.

Sources: Population: U.S. Department of Commerce, Bureau of the Census website, www.census.gov, accessed October 2020.
Income and GDP: U.S. Department of Commerce, Bureau of Economic Analysis website, www.bea.gov, accessed December 2020.
Employment: U.S. Department of Labor, Bureau of Labor Statistics website, www.bls.gov, accessed October 2020.

Figure 2
TRENDS IN UNEMPLOYMENT RATES



Note: Data are quarterly averages of monthly unemployment rate data, not seasonally adjusted.

Source: U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov, accessed February 2020.

ECONOMIC PROFILE BY INDUSTRY SECTOR

Table 3 presents data on the percentage distribution of nonagricultural employment by industry sector in the Baltimore MSA, the Washington, D.C., MSA, and the nation for 2019 and changes between 2007 (before the 2008-2009 economic recession), 2010 (after the recession), and 2019.

Table 4 lists the largest private employers in the Baltimore MSA as of July 2019. The companies listed accounted for approximately 13% of total nonagricultural employment in the MSA in 2019, with the remaining 87% accounted for by smaller businesses and organizations and public sector employers. The following subsections provide a summary of employment in each industry sector, discussed in descending order of Baltimore MSA employment share.

Services

As in the United States as a whole, the services sector (professional, business, education, health, leisure, hospitality, and other services combined) is the largest industry sector in the Baltimore MSA. The sector accounted for 50.3% of Baltimore MSA employment in 2019, an increase from 41.2% in 2000.

The services sector accounted for higher overall growth than any other industry sector between 2007 and 2019. The sector added 202,500 jobs in the Baltimore MSA between 2007 and 2019 and accounted for all the net increase in employment. The service sector was one of two industry sectors that did not lose jobs between 2007 and 2010 (the other being the government sector). After the recession, employment in the services sector steadily increased between 2010 and 2019 at an average rate of 2.8% per year.

Education and Health Services. The education and health services sector was the fastest growing industry sector between 2007 and 2019 and accounted for the largest share of Baltimore MSA employment in 2019. The sector gained in importance over the decade, increasing its share of employment in the Baltimore MSA from 16.8% in 2007 to 19.6% in 2019. In 2019, the education and health services sector accounted for a larger share of employment in the Baltimore MSA (19.6%) than in the United States as a whole (16.0%), evidencing the MSA's high concentration of universities, hospitals, and bioscience firms.

Notwithstanding the economic recession, 16,100 jobs were added in the education and health services sector between 2007 and 2010 and a further 42,600 were added between 2010 and 2019.

Approximately 77% of the 280,000 jobs in the education and health services sector in 2019 were in the health care and social assistance subsector. This includes health care services (physicians' offices, surgery centers, hospitals, nursing and residential care facilities) and social assistance services (family services organizations and child care centers). The remaining 65,200 jobs were in the educational services subsector.

Major health care employers in the Baltimore MSA include Johns Hopkins Health System, University of Maryland Medical System, MedStar Health, LifeBridge Health, Bon Secours Mercy Health System, and Greater Baltimore Medical Center (GBMC) Healthcare.

The Baltimore MSA is home to over 30 colleges and universities. The University of Maryland in College Park is the largest university in the MSA with a student population of 41,000 and employs 14,500 faculty, staff, and administrators. Towson University and Johns Hopkins University are the next two largest universities in the MSA. Towson is a public university with a student population of 23,000 and employs 3,700 faculty, staff, and administrators. Johns Hopkins is a private university with a student population of 26,000 and employs 7,700 faculty, staff, and administrators.

Other major institutions of higher learning in the MSA include the United States Naval Academy, Morgan State University, Loyola University, University of Maryland Baltimore, and University of Baltimore.

Professional and Business Services. Of the 131,400 services sector jobs added in the Baltimore MSA between 2007 and 2019, 54,900 were in the professional and business services sector, an increase of 28.6%. Job losses in the professional and business services subsector between 2007 and 2010 (-7,200) were more than offset by gains between 2010 and 2019 (+62,100). The share of professional and business services jobs in the MSA increased from 14.6% in 2007 to 17.3% in 2019.

Many of these jobs were in the professional, scientific, and technical subsector and included jobs in such fields as engineering, computer science, software development, information technology, biosciences, and health technology that support key goods-producing and service-providing industries.

Leisure and Hospitality Services. Employment in leisure and hospitality services was the third fastest growing sector in the Baltimore MSA between 2007 and 2019, increasing a net of 19.7%. Job losses in the subsector between 2007 and 2010 (-3,600) were more than offset by gains between 2010 and 2019 (+26,500).

The Baltimore Convention Center (BCC), with over 1.2 million square feet of meeting and exhibition space, has hosted over 500,000 attendees annually at more than 140 conventions, events, and shows. The BCC is directly accessible from the Airport via the MTA light-rail line.

Tourist attractions in Baltimore include the National Aquarium, the Maryland Zoo, the Baltimore Museum of Art, Fort McHenry National Monument, the Edgar Allan Poe House, and Mount Vernon. The second horse race of the Triple Crown, The Preakness Stakes, is held each May at Pimlico Race Course in Baltimore.

Professional sports franchises in Baltimore include the Ravens (National Football League), the Orioles (Major League Baseball), and the Blast (Major Arena Soccer League).

Tourism is an important contributor to the Airport's secondary service region economy. According to Destination-DC, a nonprofit organization that promotes tourism, Washington, D.C., attracted 24.6 million visitors in 2019. Among visitors to Washington, D.C., approximately 63% were leisure travelers and 37% were business travelers.*

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* MMGY Travel Insights/TMI, as reported by Destination DC, www.washington.org.

Table 3

NONAGRICULTURAL EMPLOYMENT BY INDUSTRY SECTOR

Baltimore-Columbia-Towson MSA, Washington-Arlington-Alexandria MSA, and United States

Calendar years

Industry sector	Share of total 2019			Average annual percent increase (decrease) 2007-2010			2010-2019		
	Baltimore MSA	Wash. D.C. MSA	United States	Baltimore MSA	Wash. D.C. MSA	United States	Baltimore MSA	Wash. D.C. MSA	United States
Services									
Education and health services	19.6%	13.4%	16.0%	2.4%	2.9%	2.3%	1.9%	2.4%	2.1%
Professional and business services	17.3	23.2	14.1	(1.3)	0.3	(2.3)	3.3	1.5	2.7
Leisure and hospitality	9.8	10.1	11.0	(1.0)	0.7	(0.9)	2.4	2.9	2.7
Other services	3.6	6.3	3.9	(0.7)	0.1	(1.0)	(0.8)	1.8	1.1
Subtotal services	50.3%	53.0%	45.0%	0.2%	0.9%	(0.3%)	2.2%	2.0%	2.4%
Trade, transportation, and utilities	17.4	12.2	18.4	(3.0%)	(2.2%)	(2.6%)	1.1%	0.8%	1.3%
Government	15.7	21.1	15.0	1.7	2.1	0.4	(0.4)	0.3	(0.1)
Financial activities	5.6	4.8	5.8	(3.3)	(2.8)	(2.7)	0.9	1.1	1.4
Mining, logging, and construction	5.7	4.9	5.5	(7.4)	(8.9)	(9.3)	2.0	1.7	3.2
Manufacturing	4.2	1.7	8.5	(4.1)	(5.7)	(6.0)	(0.8)	0.6	1.2
Information	1.2	2.3	1.9	(5.3)	(5.0)	(3.7)	(1.5)	(0.6)	0.6
Total	100.0%	100.0%	100.0%	(1.1%)	(0.3%)	(1.9%)	1.3%	1.3%	1.6%
Total Baltimore MSA employment	1,426,500								

Note: Percent shares may not add to 100.0% because of rounding.

Source: U.S. Department of Labor, Bureau of Labor Statistics website, www.bls.gov, accessed October 2020.

Table 4

LARGEST PRIVATE SECTOR EMPLOYERS

Baltimore-Columbia-Towson MSA

July 2019

Rank	Company	Local employment	Type of business
1	Johns Hopkins University	27,300	Education
2	Johns Hopkins Health System	23,470	Health care
3	University of Maryland Medical System	22,620	Health care
4	MedStar Health	11,770	Health care
5	Northrop Grumman	10,660	Aerospace and defense
6	LifeBridge Health	10,540	Health care
7	Abacus Corp	8,000	Staffing services
8	Wal-Mart Stores	7,500	Retail
9	Giant Food	6,000	Retail grocer
10	T. Rowe Price Group *(a)*	5,130	Financial services
11	Exelon Corp.	5,100	Energy provider
12	Mercy Health Services	5,000	Health care
13	Southwest Airlines	4,840	Airline
14	Amazon.com	4,500	Retail
15	GBMC HealthCare	4,440	Health care
16	Community College of Baltimore County	4,190	Education
17	Towson University	3,480	Education
18	Luminis Health *(b)*	3,440	Health care
19	Saint Agnes Healthcare	3,270	Health care
20	Sheppard Pratt Health System	3,250	Health care
21	Y in Central Maryland	3,100	Recreation facilities
22	Erickson Living	3,070	Retirement community
23	CareFirst BlueCross BlueShield	3,070	Insurance
24	Howard Community College	2,720	Education
25	Kennedy Krieger Institute	2,700	Health Care

Note: Data are self-reported by companies to the Baltimore Business Journal. Such self-reporting or lack thereof, affects companies' inclusion in the list.

(a) Fortune 500 company (based on 2019 revenue) headquartered in Baltimore.
(b) Anne Arundel Health System and Doctors Community Health System merged to form Luminis Health in July 2019

Sources: Baltimore Business Journal, *2019-2020 Book of Lists*; Fortune 500 website, www.fortune.com.

Trade, Transportation, and Utilities

The trade, transportation, and utilities sector accounted for a smaller share of employment in the Baltimore MSA than in the nation as a whole in 2019 (17.4% versus 18.4%). Jobs lost during the recession (-21,400) were regained between 2010 and 2019 (+22,700).

International trade is an important component of the MSA economy. More than 50% of exports from the MSA are from the chemical, transportation, and computer and electronic product industries. Several foreign trade zones cover the MSA and provide for the establishment of secure sites to allow qualifying export-import businesses to defer or avoid U.S. Customs duties and certain other taxes.

Government

The government sector accounted for the third largest share of employment in the Baltimore MSA in 2019 (15.7%) a greater percentage than that of the nation (15.0%). Employment by federal, state, and local government agencies increased 1.1% between 2007 and 2019 in the MSA, less than the 1.7% increase for the nation. In the MSA, 11,500 jobs were added in the government sector between 2007 and 2010 and 9,100 were lost between 2010 and 2019. Annapolis, the capital of the State, is located in the MSA as is the headquarters of the Social Security Administration.

Fort Meade, located approximately ten miles south of the Airport, employs approximately 54,000 military personnel and civilian employees and is home to more than 115 government agencies and organizations including the National Security Agency. Fort Meade is Maryland's largest employer and has the third-largest workforce of any U.S. Army installation.

Financial Activities

The financial activities sector accounted for 5.6% of Baltimore MSA employment and 5.8% of national employment in 2019. As a result of the national banking and credit crisis, between 2007 and 2010, the sector lost 7,700 jobs in the MSA. Between 2010 and 2019, the sector largely recovered, gaining 6,200 jobs. Financial sector employers include T. Rowe Price Group, Bank of America, M&T Bank, and Wells Fargo.

Mining, Logging, and Construction

The mining, logging, and construction sector accounted for 5.7% of Baltimore MSA employment in 2019, a higher share than that of the nation (5.5%). The construction sector is disproportionately affected by economic cycles, and between 2007 and 2010, the sector lost 17,700 jobs in the MSA as the credit crisis depressed construction activity and the issuance of housing permits fell to a record low. As the MSA economy recovered following the recession, between 2010 and 2019, construction sector employment increased by 13,500 jobs, for an overall reduction of 4,200 between 2007 and 2019.

Manufacturing

Between 2007 and 2019, manufacturing employment in the Baltimore MSA decreased 18.0%. Over the period, the manufacturing sector experienced the largest employment losses of any industry sector. The share of manufacturing employment in the MSA decreased from 7.7% in 2000 to 4.2% in 2019, a lower share than for the nation (8.5%). The number of Baltimore MSA jobs in the manufacturing sector decreased by 8,600 between 2007 and 2010, and by an additional 4,400 jobs between 2010 and 2019.

Key manufacturers in the Baltimore MSA are those in the aerospace and defense industry. MSA employers in this industry include Northrup Grumman, Textron Systems, Middle River Aircraft Systems, Lockheed Martin, and Collins Aerospace (formerly Rockwell Collins).

Information

The information sector accounted for 1.2% of Baltimore MSA employment in 2019, lower than its share of national employment (1.9%). Between 2007 and 2019, the number of employees in the sector decreased by 26.1%. Of the 6,100 jobs lost over the decade, 5,300 jobs were lost in the telecommunications subsector. Employers in the information sector are Verizon, Comcast, and The Agora Companies.

ECONOMIC OUTLOOK

In its most recent report, issued before the COVID-19 pandemic and the associated economic recession, the Congressional Budget Office forecast growth in real U.S. gross domestic product (GDP) of 2.2% in 2020, 1.8% in 2021, and an average of 1.6% per year thereafter.

In the near term, the state of the U.S. economy will depend largely on the duration of the pandemic, the availability and acceptance of effective treatment therapies and vaccines, and the success of governmental actions to limit damage to the economy and allow the resumption of growth.

In the longer term, U.S. economic growth will depend on, among other factors, stable financial and credit markets, a stable value of the U.S. dollar versus other currencies, stable energy and other commodity prices, the ability of the federal government to reduce historically high fiscal deficits, inflation remaining within the range targeted by the Federal Reserve, growth in the economies of foreign trading partners, and stable trading relationships.

The economic outlook for the Baltimore MSA generally depends on the same factors as those for the nation. Population in the MSA is projected by the Baltimore Metropolitan Council to increase an average of 0.4% per year between 2018 and 2025, slower than the rate projected by the Metropolitan Council of Governments for the Washington, D.C., MSA (average of 1.1%). Nonagricultural employment in the Baltimore MSA is projected to increase an average of 0.9% per year between 2018 and 2025, slower than the projected growth for the Washington, D.C., MSA (average of 1.2%).

AIRLINE TRAFFIC ANALYSIS

AIRPORT ROLE

The importance of the Airport is reflected in its origin and destination (O&D) passenger base, its role as a connecting hub, its status as the third busiest airport in Southwest's system, and its role as one of three large-hub airports serving the Baltimore and Washington, D.C., MSAs.

Rankings Among U.S. Airports

Table 5 lists the 30 busiest U.S. airports ranked by numbers of enplaned passengers in calendar year 2019. By this measure, the Airport was the 22nd busiest airport in the United States. Between 2007 and 2019, passenger numbers at the Airport increased 29.1%, compared with increase of 26.3% for the other top 29 airports listed.

Table 6 lists the 30 busiest U.S. airports ranked by numbers of originating passengers, i.e., passengers who began their air journeys at each airport rather than connected between flights, in calendar year 2019. By this measure, the Airport ranked 24th.

Table 7 lists the 30 busiest U.S. airports ranked by numbers of connecting passengers in calendar year 2019. By this measure, the Airport ranked 19th. Over half of the increase in enplaned passenger numbers at the Airport between 2007 and 2019 is attributable to connections. The Airport's role as a key airport for Southwest is discussed in the following section.

Table 8 lists the 30 busiest U.S. gateway airports ranked by numbers of international enplaned passengers in calendar year 2019. By this measure, the Airport ranked 24th. International service at the Airport is discussed in the later section "International Airline Service."

Airport's Role in Southwest's System

In May 2011, Southwest Airlines closed on its acquisition of AirTran Airways. The combined airline adopted Southwest's branding and service policies and was issued a single operating certificate by the FAA in March 2012. Full integration of Southwest and AirTran operations was completed in December 2014.

Table 9 presents data on historical airline service provided by Southwest and AirTran at their principal airports, ranked by daily scheduled departing seats in July 2019. In July 2019, BWI accounted for 5.4% of the total scheduled departing seats in Southwest's system, making it the third busiest airport in the system.

In July 2019, Southwest accounted for 64.8% of total scheduled departing seats at the Airport, less than its share at Chicago Midway (93.5%) but more than its share at Las Vegas (35.4%) and at Denver (27.1%).

Airport's Role in Spirit's System

Spirit started service at BWI in September 2012 with nonstop flights to Dallas/Fort Worth and Fort Lauderdale. As of July 2019, Spirit provided nonstop flights from the Airport to 23 domestic and international destinations.

Table 10 presents data on historical airline service provided by Spirit at its principal airports. In July 2019, BWI was ranked as the seventh busiest airport in Spirit's system with an average of 5,852 daily departing seats, equating to 5.1% of the carrier's systemwide capacity.

Table 5

ENPLANED PASSENGERS AT BUSIEST U.S. AIRPORTS

Calendar years

2019 Rank	City (airport)	Enplaned passengers (millions) 2000	2007	2012	2017	2019	Percent increase (decrease) 2000-2007	2007-2012	2012-2019
1	Atlanta	39.2	43.1	45.7	50.3	53.5	10.0%	6.1%	17.0%
2	Los Angeles (International)	31.3	30.1	31.4	41.2	43.0	(3.8)	4.2	37.1
3	Chicago (O'Hare)	33.2	36.5	32.2	38.6	40.9	10.2	(11.9)	27.3
4	Dallas/Fort Worth	28.2	28.4	28.0	31.8	35.8	1.0	(1.5)	27.7
5	Denver	18.0	24.1	25.8	29.8	33.6	34.3	7.0	30.2
6	New York (Kennedy)	16.0	23.4	24.5	29.6	31.1	46.2	4.8	26.9
7	San Francisco	18.9	17.3	21.3	26.9	27.7	(8.7)	23.3	30.2
8	Seattle	13.6	15.4	16.1	22.6	25.0	13.7	4.5	55.3
9	Orlando (International)	14.4	17.6	17.2	21.6	24.6	21.9	(2.6)	43.2
10	Las Vegas	16.2	22.4	19.8	23.2	24.5	38.1	(11.5)	23.2
11	Charlotte	10.4	16.6	20.0	22.0	24.2	58.8	20.8	20.8
12	Newark	17.0	18.2	17.1	21.6	23.2	6.6	(6.1)	36.2
13	Phoenix (Sky Harbor)	17.4	20.8	19.6	21.2	22.4	19.3	(6.0)	14.7
14	Houston (Bush)	16.3	20.8	19.0	19.6	21.9	27.3	(8.3)	15.0
15	Miami	16.2	16.2	19.0	20.7	21.5	0.5	16.9	13.3
16	Boston	12.9	13.8	14.3	18.8	20.7	6.9	3.7	44.8
17	Minneapolis-St. Paul	16.8	17.0	15.9	18.4	19.2	1.2	(6.0)	20.4
18	Detroit	17.1	17.5	15.6	17.0	18.1	2.2	(10.8)	16.3
19	Fort Lauderdale	7.6	11.1	11.4	15.8	18.0	46.3	3.3	57.0
20	Philadelphia	11.4	15.7	14.6	14.3	16.0	37.9	(6.8)	9.7
21	New York (LaGuardia)	11.9	12.5	12.8	14.6	15.4	5.5	2.3	20.1
22	**Baltimore/Washington**	**9.8**	**10.5**	**11.4**	**13.2**	**13.5**	**6.8**	**8.4**	**19.1**
23	Salt Lake City	8.7	10.6	9.6	11.6	12.8	21.0	(9.3)	34.0
24	San Diego	7.7	9.1	8.7	11.1	12.6	18.1	(5.0)	45.6
25	Washington, D.C. (Dulles)	7.7	11.8	10.8	11.0	11.9	53.5	(8.3)	10.1
26	Washington, D.C. (Reagan)	7.0	9.0	9.5	11.5	11.6	29.4	4.7	22.6
27	Tampa	7.6	9.3	8.2	9.5	10.9	22.7	(11.7)	33.1
28	Honolulu	10.4	10.3	9.2	10.1	10.3	(1.0)	(10.5)	12.1
29	Chicago (Midway)	7.0	9.1	9.4	10.9	10.1	30.3	3.3	6.9
30	Portland, Oregon	6.6	7.3	7.1	9.4	9.8	11.0	(1.9)	37.2
	Top 30 airports						15.1%	(0.0%)	26.4%

Notes: Airports shown are the top 30 U.S. airports ranked by number of passengers for calendar year 2019. Percentages were calculated using unrounded numbers.

Source: U.S. DOT, Schedules T100 and 298C T1, except Baltimore, Maryland Aviation Administration records.

Table 6

ORIGINATING PASSENGERS AT BUSIEST U.S. AIRPORTS

Calendar years

2019 Rank	City (airport)	Originating passengers (millions) 2000	2007	2012	2017	2019	Percent increase (decrease) 2000-2007	2007-2012	2012-2019
1	Los Angeles (International)	23.1	23.4	23.9	33.3	35.4	1.2%	2.4%	48.2%
2	New York (Kennedy)	12.5	18.6	19.5	24.6	26.7	47.9	5.0	37.2
3	Chicago (O'Hare)	16.1	18.0	16.7	21.9	24.3	11.9	(7.2)	45.4
4	Orlando (International)	13.5	16.6	16.1	20.5	23.2	23.0	(2.9)	43.8
5	San Francisco	14.5	12.8	16.6	20.9	22.3	(11.9)	30.0	34.2
6	Denver	9.4	13.0	13.9	18.8	21.8	38.6	6.3	57.6
7	Las Vegas	14.0	18.6	16.9	20.2	21.4	33.1	(9.0)	26.3
8	Atlanta	15.1	15.0	14.4	18.5	20.8	(0.5)	(4.3)	45.1
9	Boston	11.8	13.1	13.6	17.7	19.5	10.3	4.2	43.1
10	Newark	13.2	14.0	12.0	16.9	19.2	5.6	(14.2)	60.0
11	Seattle	10.1	11.5	11.6	15.8	17.6	13.7	0.5	51.8
12	Dallas/Fort Worth	11.5	12.4	11.6	14.3	16.3	8.2	(6.5)	41.0
13	Phoenix (Sky Harbor)	10.6	12.9	11.1	13.8	15.2	21.7	(13.6)	36.5
14	Fort Lauderdale	7.3	10.4	10.6	13.7	15.0	41.6	1.6	41.8
15	Miami	9.7	9.5	10.8	13.8	14.8	(2.7)	14.2	37.1
16	New York (LaGuardia)	11.0	11.6	11.6	13.2	14.0	5.0	0.4	20.9
17	San Diego	7.4	8.8	8.3	10.5	11.9	18.7	(6.3)	44.3
18	Minneapolis-St. Paul	8.2	8.8	8.3	10.7	11.9	8.0	(5.7)	43.3
19	Houston (Bush)	6.8	9.3	8.0	10.0	11.7	35.5	(13.2)	45.8
20	Philadelphia	6.9	9.9	8.5	9.9	11.1	43.9	(14.6)	31.1
21	Detroit	8.4	9.1	7.7	9.6	10.8	8.6	(15.6)	40.0
22	Tampa	7.1	8.7	7.7	9.2	10.5	23.3	(12.4)	37.3
23	Washington DC (Reagan)	6.1	7.5	7.8	10.1	10.2	22.2	4.0	31.7
24	**Baltimore/Washington**	**8.4**	**8.6**	**8.3**	**9.4**	**10.1**	**2.2**	**(2.9)**	**20.8**
25	Honolulu	8.4	8.4	7.5	8.2	8.9	0.6	(11.5)	19.6
26	Portland, Oregon	5.5	6.2	6.0	8.3	8.8	12.5	(2.7)	46.5
27	Austin	3.4	4.0	4.3	6.5	8.1	16.0	8.0	87.5
28	Washington DC (Dulles)	4.7	7.3	6.2	7.5	8.1	55.0	(14.7)	29.1
20	Salt Lake City	4.1	5.6	5.1	7.0	7.9	36.8	(9.8)	55.2
30	Charlotte	2.0	5.0	5.2	6.5	7.7	145.8	3.5	47.9
	Top 30 airports						16.3%	(1.6%)	41.1%

Notes: Airports shown are the top 30 U.S. airports ranked by originating passengers for calendar year 2019.
Percentages were calculated using unrounded numbers.
Includes a small number of passengers on foreign-flag airlines making connections between international flights.

Source: U.S. DOT, Schedules T100 and 298C T1; U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.

Table 7

CONNECTING PASSENGERS AT BUSIEST U.S. AIRPORTS

Calendar years

2019 Rank	City (airport)	Connecting passengers (millions) 2000	2007	2012	2017	2019	Percent increase (decrease) 2000-2007	2007-2012	2012-2019
1	Atlanta	24.1	28.1	31.4	31.8	32.7	16.6%	11.6%	4.1%
2	Dallas/Fort Worth	16.7	16.0	16.4	17.5	19.4	(4.0)	2.5	18.3
3	Chicago (O'Hare)	17.1	18.5	15.5	16.7	16.7	8.5	(16.5)	7.8
4	Charlotte	8.4	11.6	14.8	15.5	16.5	37.7	28.3	11.3
5	Denver	8.6	11.1	11.9	11.0	11.8	29.6	7.8	(1.5)
6	Houston (Bush)	9.5	11.5	11.0	9.6	10.2	21.4	(4.4)	(7.5)
7	Los Angeles (International)	8.2	6.8	7.5	7.9	7.6	(17.8)	10.4	1.8
8	Seattle	3.4	3.9	4.5	6.8	7.4	13.8	16.3	64.4
9	Detroit	8.7	8.4	7.9	7.4	7.4	(3.9)	(5.6)	(6.8)
10	Minneapolis-St. Paul	8.6	8.1	7.6	7.7	7.3	(5.3)	(6.4)	(4.5)
11	Phoenix (Sky Harbor)	6.8	7.9	8.4	7.4	7.2	15.4	6.5	(14.1)
12	Miami	6.4	6.8	8.2	6.9	6.7	5.2	20.6	(18.2)
13	San Francisco	4.4	4.5	4.7	6.0	5.5	1.7	4.4	16.0
14	Salt Lake City	4.6	4.9	4.5	4.6	5.0	6.9	(8.7)	10.1
15	Philadelphia	4.4	5.7	6.1	4.4	4.9	28.6	6.7	(19.9)
16	New York (Kennedy)	3.5	4.9	5.1	4.9	4.4	39.9	4.1	(12.9)
17	Newark	3.8	4.2	5.1	4.7	4.1	10.1	20.5	(20.0)
18	Washington DC (Dulles)	3.0	4.5	4.6	3.5	3.8	51.1	2.1	(15.9)
19	**Baltimore/Washington**	**1.4**	**1.9**	**3.0**	**3.8**	**3.5**	**34.4**	**59.3**	**14.3**
20	Chicago (Midway)	1.3	2.7	3.4	3.8	3.3	106.6	29.5	(3.6)
21	Las Vegas	2.3	3.9	2.9	3.0	3.1	67.9	(23.7)	5.6
22	Fort Lauderdale	0.2	0.7	0.9	2.1	3.0	194.8	28.9	239.8
23	Dallas (Love)	0.7	0.9	1.1	2.4	2.7	36.1	14.4	148.7
24	Houston (Hobby)	1.1	1.1	1.4	2.2	2.4	(0.4)	35.4	71.0
25	St. Louis	9.5	1.4	1.1	1.7	1.8	(84.9)	(24.1)	67.4
26	Honolulu	2.0	1.9	1.7	1.8	1.4	(7.6)	(5.8)	(19.9)
27	Washington DC (Reagan)	0.9	1.6	1.7	1.4	1.4	80.0	7.9	(19.2)
28	Orlando (International)	0.9	1.0	1.0	1.0	1.4	5.9	3.2	34.6
29	New York (LaGuardia)	0.9	1.0	1.2	1.4	1.4	12.6	25.3	12.5
30	Nashville	0.8	0.6	0.8	1.0	1.3	(25.8)	30.7	61.9
	Top 30 airports						7.9%	5.2%	4.9%

Notes: Airports shown are the top 30 U.S. airports ranked by number of connecting passengers for calendar year 2019.
Percentages were calculated using unrounded numbers.
Includes a small number of passengers on foreign-flag airlines making connections between international flights.

Source: U.S. DOT, *Air Passenger Origin-Destination Survey,* reconciled to Schedules T100 and 298C T1.

Table 8

INTERNATIONAL PASSENGERS AT BUSIEST U.S. AIRPORTS

Calendar years

2019 Rank	City (airport)	Enplaned international passengers (millions) 2000	2007	2012	2017	2019	Percent increase (decrease) 2000-2007	2007-2012	2012-2019
1	New York (Kennedy)	9.02	10.72	12.45	16.12	16.98	18.8%	16.2%	36.4%
2	Los Angeles (International)	8.16	8.33	8.33	12.05	12.55	2.1	(0.1)	50.8
3	Miami	7.93	7.76	9.71	10.44	10.71	(2.1)	25.1	10.4
4	San Francisco	3.95	4.25	4.56	6.46	7.34	7.6	7.2	61.0
5	Newark	4.40	5.28	5.58	6.31	7.13	19.9	5.7	27.7
6	Chicago (O'Hare)	4.96	5.67	5.15	6.39	6.89	14.3	(9.3)	33.8
7	Atlanta	3.11	4.46	4.78	5.89	6.23	43.2	7.3	30.4
8	Houston (Bush)	2.67	3.79	4.27	5.06	5.48	42.3	12.5	28.4
9	Dallas/Fort Worth	2.42	2.51	2.90	4.06	4.63	3.9	15.6	59.4
10	Fort Lauderdale	0.57	1.44	1.76	3.51	4.24	150.9	22.0	141.4
11	Washington DC (Dulles)	1.95	2.83	3.22	3.76	4.14	45.3	13.8	28.6
12	Boston	2.07	1.92	2.03	3.43	3.93	(7.4)	5.7	93.5
13	Orlando (International)	1.20	1.10	1.88	2.85	3.46	(8.1)	70.4	84.3
14	Seattle	1.09	1.27	1.55	2.47	2.78	17.3	21.5	79.7
15	Honolulu	2.49	1.79	2.21	2.64	2.66	(28.3)	23.6	20.4
16	Philadelphia	1.27	1.79	1.88	1.76	1.98	40.6	5.2	5.2
17	Detroit	1.92	1.89	1.57	1.74	1.87	(1.5)	(17.0)	19.2
18	Charlotte	0.47	1.04	1.45	1.50	1.77	122.7	39.0	21.7
19	Las Vegas	0.51	1.12	1.40	1.76	1.76	117.9	25.1	25.8
20	Minneapolis-St. Paul	1.45	1.26	1.08	1.45	1.62	(13.1)	(13.9)	49.4
21	Denver	0.63	1.10	0.87	1.28	1.56	73.9	(20.7)	78.4
22	New York (LaGuardia)	0.68	0.63	0.73	1.08	1.12	(7.7)	16.1	53.9
23	Phoenix (Sky Harbor)	0.47	0.87	1.10	1.02	1.04	85.2	25.7	(5.4)
24	**Baltimore/Washington**	**0.41**	**0.30**	**0.34**	**0.57**	**0.61**	**(27.5)**	**13.6**	**80.3**
25	Tampa	0.19	0.18	0.24	0.45	0.54	(3.6)	30.6	126.2
26	Salt Lake City	0.02	0.27	0.18	0.45	0.52	n.c.	(31.5)	186.0
27	San Diego	0.15	0.15	0.26	0.44	0.52	2.2	75.8	96.7
28	Houston (Hobby)	0.00	0.00	0.00	0.45	0.43	n.c.	37.6	n.c.
29	San Jose	0.17	0.08	0.08	0.42	0.42	(54.2)	6.2	404.7
30	Portland	0.22	0.31	0.24	0.38	0.41	37.3	(22.0)	71.0
	Top 30 airports						14.8%	10.4%	41.0%

Notes: Airports shown are the top 30 U.S. airports (excluding airports in Puerto Rico, the islands of the Pacific Trust, and the U.S. Virgin Islands) ranked by international enplaned passengers for calendar year 2019. Percentages were calculated using unrounded numbers.
n.c.=not calculated.

Sources: U.S. DOT, Schedules T100 and 298C T1, except Baltimore, Maryland Aviation Administration records.

Table 9

SOUTHWEST SERVICE AT ITS PRINCIPAL AIRPORTS

As scheduled for July of years shown

City (airport)	2000	2004	2008	2012	2016	2018	2019	2000-2008	Increase (decrease) 2008-2016	2016-2019
	Average daily departures									
Chicago (Midway)	125	141	231	248	256	252	228	106	26	(28)
Denver	--	3	86	168	193	205	214	86	107	21
Baltimore/Washington	**102**	**190**	**213**	**240**	**220**	**221**	**210**	**110**	**8**	**(10)**
Las Vegas	148	190	246	226	215	209	194	98	(31)	(21)
Dallas (Love)	122	115	130	119	169	174	188	8	40	19
Phoenix (Sky Harbor)	168	175	193	178	169	170	164	25	(24)	(6)
Houston (Hobby)	142	137	141	146	153	164	165	(1)	12	12
Orlando (International)	59	95	167	157	124	126	117	108	(43)	(7)
Oakland	105	117	129	103	113	116	117	24	(16)	4
San Diego	75	79	110	92	98	111	117	35	(12)	20
	Average daily departing seats									
Chicago (Midway)	16,427	19,088	31,345	34,206	38,520	38,391	34,678	14,918	7,175	(3,842)
Denver	--	408	11,719	22,995	29,149	31,592	32,643	11,719	17,430	3,494
Baltimore/Washington	**13,930**	**25,132**	**28,234**	**32,500**	**32,783**	**33,811**	**31,841**	**14,304**	**4,549**	**(942)**
Las Vegas	19,927	25,972	33,536	31,569	32,315	31,792	29,288	13,609	(1,222)	(3,027)
Dallas (Love)	15,789	14,541	17,566	16,281	24,272	26,064	28,229	1,777	6,706	3,957
Phoenix (Sky Harbor)	22,669	23,775	26,272	24,462	25,061	25,707	24,941	3,604	(1,212)	(120)
Houston (Hobby)	18,598	17,971	18,981	20,011	22,404	24,749	24,814	383	3,422	2,410
Orlando (International)	7,571	12,469	22,140	20,697	18,632	19,477	18,040	14,569	(3,508)	(592)
Oakland	13,971	15,919	17,497	14,103	16,443	17,425	17,911	3,526	(1,054)	1,467
San Diego	10,063	10,824	14,942	12,637	14,551	16,835	17,686	4,879	(391)	3,135

Notes: Airports shown are the 10 busiest U.S. airports as ranked by departing seats on Southwest for July 2019.

Source: OAG Aviation Worldwide Ltd, OAG Analyser database, accessed February 2020.

Table 10

SPIRIT SERVICE AT ITS PRINCIPAL AIRPORTS

As scheduled for July of years shown

City (airport)	2000	2004	2008	2012	2016	2018	2019	2000-2008	Increase (decrease) 2008-2016	2016-2019
	Average daily departures									
Fort Lauderdale-Hollywood	8	22	66	48	51	67	71	58	(15)	21
Las Vegas	-	4	3	22	31	41	55	3	28	24
Orlando (International)	7	12	16	10	15	39	56	9	(1)	40
Detroit	9	23	15	14	24	31	33	7	9	9
Dallas/Fort Worth	-	-	-	18	28	35	33	-	28	5
Chicago (O'Hare)	-	9	3	20	31	30	30	3	28	(1)
Baltimore/Washington	**-**	**-**	**-**	**-**	**16**	**28**	**33**	**-**	**16**	**17**
Atlanta	-	-	4	5	20	25	30	4	16	10
Houston (Intercontinental)	-	-	-	-	20	22	24	-	20	4
Los Angeles	1	3	3	6	26	26	26	2	23	(0)
	Average daily departing seats									
Fort Lauderdale-Hollywood	1,186	3,315	9,729	7,839	9,366	12,350	13,240	8,543	(364)	3,874
Las Vegas	-	537	467	3,242	5,561	7,451	10,009	467	5,094	4,448
Orlando (International)	1,059	1,819	2,374	1,780	2,792	7,216	9,963	1,314	419	7,171
Detroit	1,444	3,377	2,338	2,301	4,254	5,764	6,147	893	1,916	1,893
Dallas/Fort Worth	-	-	-	2,837	4,877	6,340	6,013	-	4,877	1,136
Chicago (O'Hare)	-	1,350	432	3,056	5,728	6,150	5,947	432	5,296	219
Baltimore/Washington	**-**	**-**	**-**	**-**	**2,714**	**4,833**	**5,852**	**-**	**2,714**	**3,138**
Atlanta	-	-	576	838	3,115	4,183	5,519	576	2,539	2,404
Houston (Intercontinental)	-	-	-	-	3,512	4,602	4,888	-	3,512	1,376
Los Angeles	164	450	432	903	4,199	4,859	4,826	268	3,767	627

Notes: Airports shown are the 10 busiest U.S. airports as ranked by departing seats on Spirit for July 2019.

Source: OAG Aviation Worldwide Ltd, OAG Analyser database, accessed October 2020.

Airport's Role in the Baltimore-Washington Region

The extent of the region served by the Airport is defined, in part, by the availability of airline service at Washington Reagan and Washington Dulles airports. The extent to which the Airport is successful in competing with these airports for passengers depends on air service frequency and airline fares at the three airports, among other factors.

Table 11 provides data on airline service at the three airports serving the region.

As scheduled for July 2019, nonstop domestic service was provided from BWI to 61 destinations, 51 of them served by Southwest. Nonstop domestic service was provided from Reagan and Dulles to 79 and 75 destinations, respectively. (Some destinations are served by more than one airport.) In July 2019, BWI was the busiest of the three regional airports in terms of departing seats. Of aircraft departures at Reagan, 62.0% were operated with regional jets (aircraft with fewer than 100 seats) whereas only 6.4% of departures at BWI were operated with regional jets.

Between 2009 and 2019, the number of departing seats provided at BWI and Reagan increased, while at Dulles they decreased. (Southwest's increased seat capacity at Reagan resulted largely from its acquisition of additional landing and takeoff slots).

Table 12 provides historical data on numbers of average daily enplaned passengers at the three airports for MAA's Fiscal Year ended June 30. In FY 2019, BWI accounted for 36.0% of regional enplaned passengers, up from 33.2% in FY 2007. Between FY 2007 and FY 2019, the number of enplaned passengers at the three airports together increased by 15.3 million combining increases of 7.9 million at BWI, 6.8 million at Reagan, and 0.6 million at Dulles.

Dulles is the primary airport for international travel, accounting for 83.6% of international enplaned passengers at the three regional airports in FY 2019. BWI accommodates only limited international airline service, ranking 24th among U.S. airports by international enplaned passengers. Reagan does not provide FIS facilities for the inspection of arriving international flights, so international service is offered only to and from those locations where inbound passengers are precleared at their point of departure (Canada, the Bahamas, and Bermuda).

In FY 2019, BWI accounted for 38.2% of domestic originating passengers in the region versus 41.7% at Reagan and 20.2% at Dulles.

Figure 3 presents domestic airline yield (average airfare expressed in cents per revenue-passenger-mile) at the three regional airports and for the nation from FY 2007 through FY 2019. Due largely to service by Southwest, airfares at BWI historically have been lower than airfares at either Reagan or Dulles. In FY 2019, average domestic airfares at Reagan and Dulles were 47.2% and 21.8% higher, respectively, than at BWI.

Table 11
DOMESTIC AIRLINE SERVICE AT REGIONAL AIRPORTS
Baltimore/Washington International, Reagan National, and Dulles International Airports
As scheduled for July of years shown

	Number of destinations served nonstop *(a)*			Average daily departures			Average daily departing seats		
	2009	2019	Change	2009	2019	Change	2009	2019	Change
By airport									
BWI	55	61	6	326	321	(5)	39,491	46,806	7,315
Reagan	62	79	17	374	388	14	34,837	39,899	5,061
Dulles	73	75	2	354	273	(81)	31,560	27,796	(3,764)
By airline									
American									
BWI	8	7	(1)	39	23	(16)	3,601	3,106	(495)
Reagan	45	67	22	232	224	(8)	19,841	19,871	29
Dulles	6	3	(3)	19	11	(8)	2,099	1,258	(841)
Delta									
BWI	8	7	(1)	39	28	(11)	4,495	3,710	(786)
Reagan	16	11	(5)	82	47	(35)	8,258	5,745	(2,513)
Dulles	7	6	(1)	27	20	(7)	2,394	1,946	(448)
Southwest									
BWI	48	51	3	212	202	(10)	28,182	30,619	2,437
Reagan	3	17	14	8	45	37	987	6,561	5,575
Dulles	5	2	(3)	15	5	(11)	2,013	802	(1,210)
United									
BWI	7	5	(2)	26	11	(16)	3,108	1,728	(1,380)
Reagan	5	6	1	35	35	0	3,757	3,305	(453)
Dulles	70	74	4	267	226	(41)	21,685	22,154	469
All other airlines									
BWI	2	31	29	9	57	48	104	7,643	7,539
Reagan	7	13	6	18	38	20	1,994	4,417	2,423
Dulles	7	7	--	25	10	(15)	3,369	1,635	(1,735)

(a) Some destinations are served by more than one airport and some airports are served by more than one airline. Includes only destinations with an average of four or more flights per week.

Source: OAG Aviation Worldwide Ltd., OAG Analyser database, accessed February 2020.

Table 12

HISTORICAL TRENDS IN ENPLANED PASSENGERS AT REGIONAL AIRPORTS

Baltimore/Washington International, Reagan National, and Dulles International Airports

12 months ended June 30

	Average daily enplaned passengers					
				Share of three-airport region total		
Year	BWI	Reagan	Dulles	BWI	Reagan	Dulles
2007	28,022	24,593	31,914	33.2%	29.1%	37.8%
2012	30,426	24,968	30,321	35.5	29.1	35.4
2013	30,282	27,012	29,019	35.1	31.3	33.6
2014	29,941	26,925	28,553	35.1	31.5	33.4
2015	30,610	29,068	28,344	34.8	33.0	32.2
2016	33,086	31,405	28,421	35.6	33.8	30.6
2017	34,563	31,569	29,811	36.0	32.9	31.1
2018	36,381	31,365	30,884	36.9	31.8	31.3
2019	35,918	31,358	32,510	36.0	31.4	32.6

	Average daily international enplaned passengers					
				Share of three-airport region total		
Year	BWI	Reagan	Dulles	BWI	Reagan	Dulles
2007	743	471	7,314	8.7%	5.5%	85.8%
2012	675	414	8,670	6.9	4.2	88.8
2013	855	597	8,974	8.2	5.7	86.1
2014	954	460	9,371	8.8	4.3	86.9
2015	1,173	541	9,523	10.4	4.8	84.7
2016	1,492	527	9,603	12.8	4.5	82.6
2017	1,476	506	10,095	12.2	4.2	83.6
2018	1,535	502	10,480	12.3	4.0	83.7
2019	1,662	507	11,081	12.5	3.8	83.6

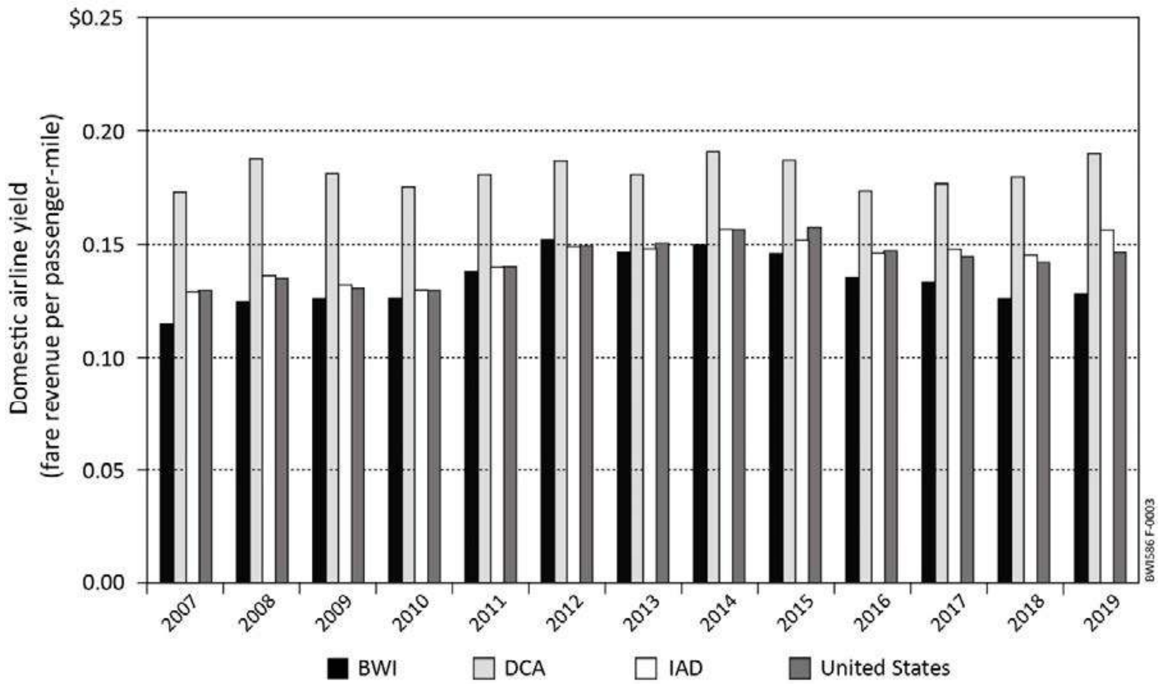
	Average daily domestic originating passengers					
				Share of three-airport region total		
Year	BWI	Reagan	Dulles	BWI	Reagan	Dulles
2007	21,604	18,766	14,524	39.4%	34.2%	26.5%
2012	21,129	18,902	11,432	41.1	36.7	22.2
2013	20,492	20,183	10,444	40.1	39.5	20.4
2014	19,919	20,251	10,130	39.6	40.3	20.1
2015	19,802	22,607	11,002	37.1	42.3	20.6
2016	20,849	25,082	10,928	36.7	44.1	19.2
2017	22,165	25,868	11,510	37.2	43.4	19.3
2018	23,481	25,721	11,990	38.4	42.0	19.6
2019	23,820	26,005	12,603	38.2	41.7	20.2

Sources: U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedule T100; U.S. DOT, Schedule T100.

Figure 3

DOMESTIC AIRLINE YIELDS FOR REGIONAL AIRPORTS AND UNITED STATES

Baltimore/Washington International, Reagan National, and Dulles International Airports



Notes: Yields for outbound originating domestic passengers.
Yields exclude taxes, fees, passenger facility charges, and charges for optional services.

Source: U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedule T100.

HISTORICAL AIRLINE SERVICE

Domestic Airline Service

As of July 2019, 321 average daily departures were provided from the Airport to 61 domestic destinations, including all major U.S. cities. With the exception of Hawaiian, all major U.S. airlines served the Airport. In July 2019, Southwest accounted for 65.4% of domestic departing seats (versus 71.4% in 2009). The other legacy airlines (Alaska, American, Delta, and United) together accounted for 20.5% of domestic departing seats (versus 28.4% in 2009).* New entrant low-cost airlines (Allegiant, Frontier, JetBlue, and Spirit) together accounted for 13.8% (versus none in 2009) and other airlines accounted for 0.3% of domestic departing seats, respectively.

Between July 2009 and July 2019, the number of daily departures at the Airport remained virtually unchanged, but the number of daily departing seats increased 18.5%. The increase in the average number of seats per departure, from 121.3 in 2009 to 146.0 in 2019, reflects the phasing out by American, Delta, and United of small regional jet and turboprop aircraft and their replacement with larger regional and narrowbody jet aircraft, and also the introduction into service of larger aircraft types by Southwest. Alaska, Allegiant, Frontier, Southwest, and Spirit operate only narrowbody aircraft at the Airport.

Figure 4 shows domestic airports with scheduled nonstop service from the Airport in July 2019. Of the 71 airports served nonstop, 45 (63.4%) were served by only one airline (nearly all Southwest) and 26 (36.6%) were served by two or more airlines.

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*In all discussions of historical airline service and passenger traffic by airline in this report, unless otherwise noted, data for merged airlines are accounted for with the surviving airline (i.e., America West Airlines, Trans World Airlines, and US Airways with American Airlines; Northwest Airlines with Delta Air Lines; Continental Airlines with United Airlines; Midwest Airlines with Frontier Airlines; AirTran Airways with Southwest Airlines; and Virgin America with Alaska Airlines). Also, data for affiliated regional airlines are accounted for with data for the mainline airline. Regional airlines operating at the Airport as code-sharing affiliates of mainline U.S. airlines as of July 2019 included Endeavor Air (Delta Connection), Envoy Air (American Eagle), Piedmont (American Eagle), Republic Airways (American Eagle), and SkyWest (American Eagle).

LEGEND

○ = Airports with scheduled service by only one airline an average of four or more flights per week.

▲ = Airports with scheduled service by more than one airline.

Source: OAG Aviation Worldwide Ltd, OAG Analyser database, accessed February 2020.

Figure 4

DOMESTIC AIRPORTS SERVED FROM BALTIMORE/WASHINGTON

Baltimore/Washington International Thurgood Marshall Airport

As scheduled for July 2019

Domestic Airline Service by Destination

Table 13 presents data on domestic passengers and airline service from the Airport to the 29 destinations accounting for 1.0% or more of domestic originating passengers at the Airport in FY 2019. Also shown are the numbers of average daily scheduled seats and departures as scheduled for July 2009 and July 2019 and the airlines providing nonstop service. The top five destinations – Miami, Boston, Orlando, Atlanta, and Chicago – accounted for 30.1% of originating passengers in FY 2019. In July 2019, Southwest provided daily nonstop flights from the Airport to all 29 destinations. Competing service by two or more airlines was provided to 25 of the 29 destinations.

In July 2009, only 12 of the top 29 destinations had competing service. The increase in service competition between 2009 and 2019 is largely attributable to new service by Spirit. Spirit began serving the Airport in September 2012 with flights to Dallas/Fort Worth and Ft. Lauderdale (competing with Southwest only to Fort Lauderdale). In July 2019, Spirit served 19 domestic destinations (including Myrtle Beach and San Juan, not shown in Table 13) and competed with Southwest on all 19. Frontier Airlines began service to Denver in March 2019 and Orlando in April 2019.

Domestic Originating Passengers and Airline Yields

The average domestic airline yield for the Airport has historically been lower than the national average and has decreased slightly since 2014 (see Figure 3). Between FY 2014 and FY 2019 average domestic yield decreased 14.1% as airlines competed for passengers and reduced fares.

Figure 5 shows historical trends in domestic airline yields at the Airport for Southwest and all other airlines, combined. Southwest's average domestic yield decreased each year between FY 2012 and FY 2018 (coinciding with the start of service by JetBlue in FY 2012, Spirit in FY 2013, Alaska in FY 2015, and Allegiant in FY 2016), but increased in FY 2019.

The average yields shown on Figures 3 and 5, as reported by the airlines to the U.S. DOT, exclude charges for optional services, such as checked baggage, preferred seating, in-flight meals, entertainment, and ticket changes. Such charges have become widespread in the airline industry since 2006. As a result, the average yields shown understate the amount actually paid by airline passengers for their travel. Optional service charges that were previously included in the ticket price are not all separately reported to the U.S. DOT. They have been estimated by industry analysts to amount to an effective average surcharge on domestic airfares of approximately 5% of ticket fare revenues, although the percentage varies widely by airline.

International Airline Service

As of July 2019, an average of 17 daily departures were provided to 12 international destinations.** Most of the international seating capacity was on flights to the Caribbean and Latin America (68.4%, 8 destinations), followed by Europe (17.4%, 2 destinations), and Canada (14.1%, 2 destinations). The average number of scheduled international departing seats at the Airport increased three-fold between July 2009 (735 per day) and July 2019 (2,319 per day) and the number of destinations served nonstop increased from 6 to 12. The increase was primarily attributable to Southwest, which accounted for three quarters of the increase in departing seats.

Southwest provided 52.7% of the seats to international destinations in July 2019, with nonstop service to 8 international destinations. The airline continued service to 5 of the 6 Caribbean destinations served by AirTran (Aruba, Cancun, Montego Bay, Nassau, and Punta Cana) and added destinations in Costa Rica (Liberia and San Jose) and Mexico (Los Cabos). In 2019, Southwest served Grand Cayman, Liberia, Los Cabos, and San Jose seasonally.

In 2019, three other airlines provided year-round international service from the Airport – British Airways to London Heathrow, Air Canada to Montreal and Toronto, and Spirit to Cancun and Montego Bay. In 2019, seasonal international service was provided by Condor to Frankfurt and by Delta to Cancun.

Norwegian operated seasonal service to Pointe-a-Pitre and Fort de France until March 2017. Icelandair and Wow Air ended Reykjavik service in January 2019 and March 2019, respectively.

** Numbers of international departures and destinations provided in this section are for all flights regardless of weekly frequency.

Table 13

DOMESTIC AIRLINE SERVICE BY DESTINATION

Baltimore/Washington International Thurgood Marshall Airport

As scheduled for July of years shown

Rank	Destination *Airport*	Air miles from BWI *(b)*	2019 *(a)* Originating passengers	2019 *(a)* Percent of originating passengers	July 2009 *(b)* Average daily departures	July 2009 *(b)* Average daily seats	July 2019 *(b)* Average daily departures	July 2019 *(b)* Average daily seats	Airlines providing nonstop service *(b)* July 2009	Airlines providing nonstop service *(b)* July 2019
1	Miami									
	Fort Lauderdale-Hollywood	926	451,011	5.2%	8	1,030	11	1,770	WN	NK, WN
	Palm Beach	885	89,281	1.0	11	389	11	305	WN	WN
	Miami	947	88,703	1.0	18	413	18	286	AA, WN	AA
	Subtotal		628,995	7.2%	37	1,832	40	2,361		
2	Boston									
	Boston	368	406,434	4.7%	13	1,226	16	2,161	DL, WN	B6, NK, WN
	Providence	327	88,654	1.0	10	1,330	7	1,035	WN	WN
	Manchester	375	83,664	1.0	9	1,269	6	817	WN	WN
	Subtotal		578,752	6.7%	32	3,825	28	4,012		
3	Orlando	788	522,544	6.0%	13	1,726	12	1,895	WN	F9, NK, WN
4	Atlanta	575	459,132	5.3	17	2,501	19	3,013	DL, WN	DL, NK, WN
5	Chicago									
	O'Hare	609	223,221	2.6%	10	1,156	9	1,443	AA, UA	AA, NK, UA
	Midway	619	201,841	2.3	7	924	7	1,007	WN	WN
	Subtotal		425,062	4.9%	16	2,081	16	2,450		
6	Los Angeles									
	Los Angeles	2,322	330,261	3.8%	4	534	6	1,005	UA, WN	AS, NK, UA, WN
	Orange County	2,307	22,260	0.3	--	--	--	--	--	--
	Ontario	2,283	17,839	0.2	--	--	--	--	--	--
	Burbank	2,320	8,731	0.1	--	--	--	--	--	--
	Long Beach	2,318	2,309	0.0	--	--	--	--	--	--
	Subtotal		381,400	4.4%	4	534	6	1,005		
7	Dallas									
	Dallas/Fort Worth	1,214	144,748	1.7%	9	1,166	5	779	AA, WN	AA, NK
	Love Field	1,206	134,775	1.6	-	-	4	647	--	WN
	Subtotal		279,523	3.2%	9	1,166	9	1,426		
8	Las Vegas	2,100	278,030	3.2%	3	415	5	809	WN	NK, WN

Table 13 *(page 2 of 2)*

DOMESTIC AIRLINE SERVICE BY DESTINATION

Baltimore/Washington International Thurgood Marshall Airport

As scheduled for July of years shown

Rank	Destination *Airport*	Air miles from BWI *(b)*	2019 *(a)* Originating passengers	2019 *(a)* Percent of originating passengers	July 2009 *(b)* Average daily departures	July 2009 *(b)* Average daily seats	July 2019 *(b)* Average daily departures	July 2019 *(b)* Average daily seats	Airlines providing nonstop service *(b)* July 2009	Airlines providing nonstop service *(b)* July 2019
9	San Francisco									
	San Francisco	2,450	135,551	1.6%	1	142	3	457	UA	AS, UA
	Oakland	2,439	75,991	0.9	--	--	1	175	--	WN
	San Jose	2,431	55,819	0.6	--	--	1	171	--	WN
	Subtotal		267,361	3.1%	1	142	5	803		
10	Denver	1,486	264,406	3.0	8	1,152	9	1,410	UA, WN	F9, NK, UA, WN
11	Houston									
	Hobby	1,243	133,555	1.5%	3	405	5	806	WN	WN
	Intercontinental	1,232	128,719	1.5	5	670	3	502	UA	NK, UA
	Subtotal		262,274	3.0%	8	1,075	8	1,308		
12	Tampa	843	258,845	3.0%	9	1,125	9	1,510	WN	NK, WN
13	Detroit	407	200,215	2.3	11	1,500	8	1,319	DL, WN	DL, NK, WN
14	Minneapolis-St. Paul	933	187,570	2.2	4	559	7	1,136	DL	DL, NK, WN
15	San Diego	2,288	182,767	2.1	2	270	3	538	WN	AS, WN
16	New Orleans	997	178,881	2.1	1	137	5	769	WN	NK, WN
17	Phoenix	1,992	158,618	1.8	6	783	3	503	AA, WN	AA, WN
18	Charlotte	360	157,488	1.8	12	1,536	12	1,994	AA, WN	AA, NK, WN
19	Seattle-Tacoma	2,327	133,804	1.5	2	274	4	666	WN	AS, NK, WN
20	Nashville	585	132,031	1.5	7	915	6	830	WN	WN
21	Fort Myers	920	131,263	1.5	3	387	3	542	WN	WN
22	Austin		105,396	1.2	2	274	4	623	WN	NK, WN
23	Raleigh-Durham	255	104,994	1.2	6	800	10	1,289	WN	DL, NK, WN
24	Jacksonville		102,805	1.2	3	407	5	735	WN	NK, WN
25	Salt Lake City	1,858	98,213	1.1	3	462	4	585	DL, WN	DL, WN
26	St. Louis	735	90,230	1.0	5	654	4	595	WN	WN
27	Indianapolis		87,809	1.0	3	371	4	529	WN	WN
28	San Antonio	1,404	87,527	1.0	2	261	2	359	WN	AS, WN
29	Cincinnati	428	84,710	1.0	4	214	5	541	DL	DL, WN
	Top 26 destinations		6,830,645	78.6%	231	27,375	253	35,554		
	Other destinations *(c)*		1,863,742	21.4	94	12,115	67	11,252		
	Total all destinations		8,694,387	100.0%	326	39,491	321	46,806		

Notes: Columns may not add to totals shown because of rounding.

AA=American Airlines, AS=Alaska Airlines, B6=JetBlue Airways, DL=Delta Air Lines, F9=Frontier, NK=Spirit Airways, UA=United Airlines, WN=Southwest Airlines.

(a) U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedule T100. Originating passengers for the 12 months ended June 30, 2019.

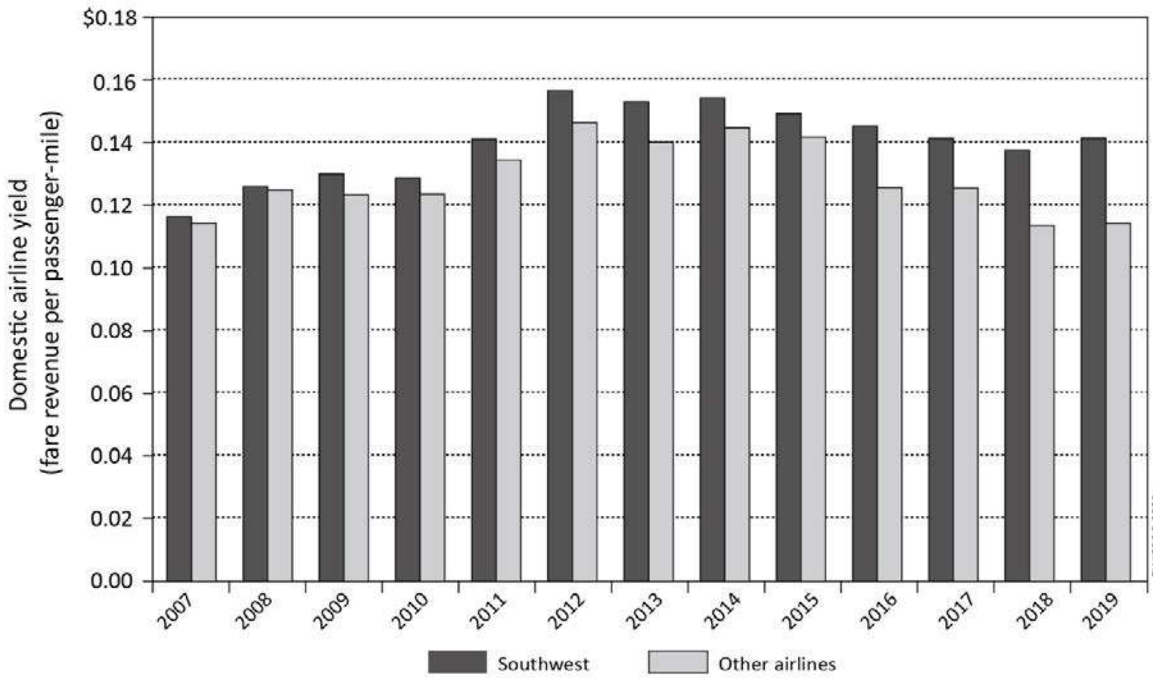
(b) OAG Aviation Worldwide Ltd, OAG Analyser database, accessed February 2020 (departures and seats on airlines with an average of four or more flights per week).

(c) Destinations that individually accounted for less than 1.0% of originating passengers.

Figure 5

DOMESTIC AIRLINE YIELDS FOR AIRPORT BY AIRLINE

Baltimore/Washington International Thurgood Marshall Airport



Notes: Yields for outbound originating domestic passengers.
Yields exclude taxes, fees, passenger facility charges, and charges for optional services.

Source: U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedule T100.

HISTORICAL AIRLINE TRAFFIC

Enplaned Passengers

Table 14 presents historical data on enplaned passengers at the Airport by sector (domestic, international, charter) and by component (originating, connecting).

Between FY 2000 and FY 2008, the number of passengers enplaned at the Airport increased at an average rate of 1.7% per year through a period that included the 2001 economic recession, the decline in airline travel following the September 11 attacks, and the abandonment of the Airport as a base of operations for US Airways' MetroJet operations in 2001. Between FY 2008 and FY 2009, enplaned passenger numbers at the Airport decreased 5.6% as the airlines reduced seat capacity in response to the contraction of demand during the 2008-2009 recession and increases in operating expenses.

With the resumption of economic growth, enplaned passenger numbers at the Airport increased an average of 2.9% per year between FY 2009 and FY 2019, with the passenger number in FY 2019 exceeding the FY 2007 pre-recession number by 30.1%.

The increase in enplaned passenger numbers between FY 2009 and FY 2014 of 10.7% (average 2.0% per year) combined a small decrease in originating passengers of 1.8% (average 0.4% per year) and a large increase in connecting passengers of 66.3% (average 10.7% per year) as Southwest built up connecting service following its acquisition of AirTran. Between FY 2014 and FY 2019, enplaned passenger numbers increased 20.4% (average of 3.8% per year), with originating passengers increasing 23.2% (average 4.3% per year) as the national and Baltimore economies grew, new entrant airlines began service, and airfares were reduced.

The COVID-19 pandemic led to unprecedented reductions in airline travel at the Airport beginning in March 2020. The number of enplaned passengers at the Airport in the first eight months of FY 2020 (July 2019 through February 2020) was 2.8% higher than the same period of FY 2019. For FY 2020 as a whole, the number of enplaned passengers totaled 10.0 million, 25.2% lower than for FY 2019. Table 19 presents monthly data on airline service and passenger numbers from January 2020 documenting the reductions in March and April and then the recovery beginning in May.

International Passengers

Passengers enplaned on international flights represent a small, but, before the pandemic, increasing share of traffic at the Airport. Between FY 2009 and FY 2019, the number of international enplaned passengers increased an average of 13.9% per year, compared with an average increase of 2.6% per year for domestic passengers. In FY 2019, international passengers represented 4.6% of all enplaned passengers. The number of international passengers was 11.2% lower in the first eight months of FY 2020 than in the same period of FY 2019 largely because Icelandair and Wow Air stopped serving the Airport in January 2019 and March 2019, respectively. All international service was suspended during the last three months of FY 2020, leading to an overall decrease in international passengers of 38.2% from FY 2019 to FY 2020.

Table 14

HISTORICAL ENPLANED PASSENGERS BY COMPONENT

Baltimore/Washington International Thurgood Marshall Airport

Fiscal Years ended June 30

Year	Domestic	International	Charter	Total	Originating *(a)*	Connecting
2000 *(b)*	8,876,142	406,769	-	9,282,911	7,953,888	1,329,023
2005	9,348,855	320,791	113,176	9,782,822	8,255,603	1,527,219
2006	9,819,882	291,591	69,523	10,180,996	8,454,943	1,726,053
2007	9,994,702	277,598	43,255	10,315,555	8,536,616	1,778,939
2008	10,376,288	224,558	61,350	10,662,196	8,672,236	1,989,926
2009	9,841,566	167,659	56,937	10,066,162	8,222,643	1,843,519
2010	10,448,769	176,080	60,398	10,685,247	8,433,573	2,251,674
2011	11,006,063	199,877	61,285	11,267,225	8,538,423	2,728,802
2012	11,046,277	232,189	61,798	11,340,264	8,431,631	2,908,633
2013	10,923,624	301,385	63,141	11,288,150	8,279,714	3,008,436
2014	10,713,968	354,215	71,400	11,139,583	8,073,270	3,066,313
2015	10,923,955	414,776	73,864	11,412,595	8,077,398	3,335,197
2016	11,757,852	511,154	62,935	12,331,941	8,606,722	3,725,219
2017	12,297,659	523,430	54,865	12,875,954	9,123,052	3,752,902
2018	12,930,208	555,753	48,072	13,534,033	9,743,824	3,790,209
2019	12,751,189	618,366	46,051	13,415,606	9,946,435	3,469,171
2020	9,611,276	382,446	40,582	10,034,304	7,312,016	2,722,288
	Average annual percent increase (decrease)					
2000-2008	2.0%	n.c.	n.c.	1.7%	1.1%	5.2%
2008-2009	(5.2)	(25.3)	(7.2)	(5.6)	(5.2)	(7.4)
2009-2014	1.7	16.1	4.6	2.0	(0.4)	10.7
2014-2019	3.5	11.8	(8.4)	3.8	4.3	2.5
	Annual percent increase (decrease)					
2016-2017	4.6%	2.4%	(12.8%)	4.4%	6.0%	0.7%
2017-2018	5.1	6.2	(12.4)	5.1	6.8	1.0
2018-2019	(1.4)	11.3	(4.2)	(0.9)	2.1	(8.5)
2019-2020	(24.6)	(38.2)	(11.9)	(25.2)	(26.5)	(21.5)
	Share of Airport total					
2000	95.6%	4.4%	-	100.0%	85.7%	14.3%
2009	97.8	1.7	0.6	100.0	81.7	18.3
2019	95.0	4.6	0.3	100.0	74.1	25.9
2020	95.8	3.8	0.4	100.0	72.9	27.1

n.c. = not calculated.

Notes: Rows may not add to totals shown because of rounding. Percentages were calculated using unrounded numbers.

(a) Calculated by subtracting connecting passengers from total enplaned passengers. Includes domestic and international O&D passengers traveling on U.S. and foreign-flag airlines, passengers making connections between two international flights, passengers on nonscheduled (charter) flights, and nonrevenue passengers.

(b) The number shown for international passengers includes passengers on charter flights.

Sources: Maryland Aviation Administration records; U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.

Airline Shares of Enplaned Passengers

Table 15 presents data on the shares of originating passengers by airline group for FY 2019 and shows the distribution of originating passengers between residents and visitors.

Originating passengers accounted for 74.1% of enplaned passengers at the Airport in FY 2019, with the remaining 25.9% connecting between flights. Essentially all of the connecting traffic at the Airport is between Southwest flights. The originating passenger percentage decreased from 85.7% in FY 2000, reflecting Southwest's increased reliance on BWI as a connecting airport. Residents of the Airport service region accounted for approximately 56% of originating passengers and visitors to the region for 44%.

Table 15

ENPLANED PASSENGERS BY AIRLINE GROUP

Baltimore/Washington International Thurgood Marshall Airport

Fiscal Year ended June 30, 2019

	Average daily enplaned passengers			Distribution by airline group		
	Southwest	All other airlines	All Airlines	Southwest	All other airlines	All Airlines
By sector						
Domestic	23,193	11,741	34,935	96.4%	92.4%	95.0%
International	861	834	1,694	3.6	6.6	4.6
Charter	--	126	126	0.0	1.0	0.3
Total	25,054	12,701	36,755	100.0%	100.0%	100.0%
By type of passenger						
Originating - resident *(a)*	9,301	5,887	15,189	38.7%	46.4%	41.3%
Originating - visitor *(b)*	5,560	6,502	12,062	23.1	51.2	32.8
Subtotal originating	14,862	12,389	27,251	61.8%	97.5%	74.1%
Connecting	9,192	313	9,505	38.2	2.5	25.9
Total	24,054	12,701	36,755	100.0%	100.0%	100.0%
Share of passengers						
Originating	54.5%	45.5%	100.0%			
Connecting	96.7	3.3	100.0			
Total	65.4	34.6	100.0			

Notes: Rows and columns may not add to totals shown because of rounding.
Percentages were calculated using unrounded numbers.

(a) Originating-resident passengers are defined as those passengers whose flight itineraries began at BWI.
(b) Originating-visitor passengers are defined as those passengers whose flight itineraries began at airports other than BWI.

Sources Maryland Aviation Administration records; U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedule T100.

Table 16 presents historical enplaned passengers at the Airport by airline for selected years between FY 2009 and FY 2020. In FY 2020, Southwest accounted for 66.1% of enplaned passengers, followed by Spirit with 11.3%, Delta with 7.5%, American with 6.6%, and United with 3.6%. Southwest accounted for 54.5% of originating passengers.

AIR CARGO

Table 17 presents historical data on air cargo tonnage at the Airport. Between FY 2009 and FY 2017, cargo tonnage increased 33.6%, an average of 3.7% per year. Between FY 2017 and FY 2020, cargo tonnage increased 94.4%, an average of 24.8% per year as Amazon Air (operated mainly by ABX Air and Atlas Air) began service in mid-2017. In FY 2020, the airlines operating for Amazon Air accounted for 49.8% of the cargo tonnage, FedEx accounted for 20.0%, and UPS accounted for 9.3%. Most of the remainder was carried as belly cargo by the passenger airlines. Of all air cargo tonnage enplaned and deplaned at the airports serving the Washington-Baltimore region in FY 2020, BWI accounted for approximately 52% and Dulles for approximately 48%. Air cargo weight at Reagan was negligible.

Table 16

AIRLINE SHARES OF ENPLANED PASSENGERS

Baltimore/Washington International Thurgood Marshall Airport

Fiscal Years ended June 30

Airline	FY 2009	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Domestic scheduled									
Southwest	6,695,173	7,829,606	7,634,857	7,847,410	8,278,543	8,632,719	8,850,763	8,465,545	6,422,702
Spirit	--	150,056	258,626	337,311	587,150	823,536	1,104,570	1,315,662	1,075,637
Delta	1,152,812	1,078,935	1,033,396	994,716	1,047,350	1,028,406	1,048,574	1,073,870	756,811
American	1,089,818	1,081,481	1,072,996	1,048,690	1,007,490	880,180	875,283	875,110	659,129
United	893,731	642,571	570,660	504,362	510,232	482,260	529,636	531,441	358,470
Alaska	--	--	--	46,450	100,955	128,266	191,805	184,735	138,640
JetBlue	--	138,122	143,433	143,339	213,927	271,098	258,668	205,564	85,324
Frontier	--	--	--	--	--	--	--	16,541	49,786
Allegiant	--	--	--	1,677	12,205	46,966	50,044	57,125	44,777
All other *(a)*	10,032	2,853	--	--	--	4,228	20,865	25,596	20,000
Subtotal domestic	9,841,566	10,923,624	10,713,968	10,923,955	11,757,852	12,297,659	12,930,208	12,751,189	9,611,276
International scheduled									
Southwest	4,692	208,757	260,284	308,140	338,253	304,247	299,322	314,105	208,527
Spirit	--	--	--	6,574	49,547	74,223	77,300	81,401	59,479
Air Canada	53,147	54,351	55,762	54,970	57,189	62,308	62,733	68,523	52,451
British Airways	29,124	29,185	29,660	33,659	42,261	48,693	54,822	65,265	46,801
WOW Air	--	--	--	--	--	--	35,834	56,865	--
Other *(b)*	80,696	9,092	8,509	11,433	23,904	33,959	25,742	32,207	15,188
Subtotal international	167,659	301,385	354,215	414,776	511,154	523,430	555,753	618,366	382,446
Charter airlines *(c)*	56,937	63,141	71,400	73,864	62,935	54,865	48,072	46,051	40,582
Total	10,066,162	11,288,150	11,139,583	11,412,595	12,331,941	12,875,954	13,534,033	13,415,606	10,034,304

Table 16 *(page 2 of 2)*

AIRLINE SHARES OF ENPLANED PASSENGERS

Baltimore/Washington International Thurgood Marshall Airport

Fiscal Years ended June 30

Airline	FY 2009	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
	Percent of total								
Domestic scheduled									
Southwest	66.5%	70.0%	69.4%	68.5%	68.8%	67.1%	67.0%	65.4%	64.0%
Spirit	--	--	1.3	2.3	3.0	4.8	6.4	9.8	10.7
Delta	11.5	9.7	9.6	9.3	8.7	8.5	8.0	8.0	7.5
American	10.8	10.3	9.6	9.6	9.2	8.2	6.8	6.5	6.6
United	8.9	6.3	5.7	5.1	4.4	4.1	3.7	4.0	3.6
Alaska	--	--	--	--	0.4	0.8	1.0	1.5	1.4
JetBlue	--	1.1	1.2	1.3	1.3	1.7	2.1	1.4	0.9
Frontier	--	--	--	--	--	--	--	0.1	0.5
Allegiant	--	--	--	--	0.0	0.1	0.4	0.4	0.4
All other *(a)*	0.1	0.1	0.0	--	--	--	0.0	0.2	0.2
Subtotal domestic	97.8%	97.4%	96.8%	96.2%	95.7%	95.3%	95.5%	95.5%	95.8%
International scheduled									
Southwest	0.0%	1.3%	1.8%	2.3%	2.7%	2.7%	2.4%	2.2%	2.1%
Spirit	--	--	--	--	--	--	0.3	0.6	0.6
Air Canada	--	--	--	--	0.1	0.4	0.6	0.6	0.5
British Airways	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
WOW Air	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	--
Other *(b)*	0.8	0.1	0.1	0.1	0.1	0.2	0.3	0.2	0.2
Subtotal international	1.7%	2.0%	2.7%	3.2%	3.6%	4.1%	4.1%	4.1%	3.8%
Charter airlines *(c)*	0.6%	0.5%	0.6%	0.6%	0.6%	0.5%	0.4%	0.4%	0.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

(a) Includes Boutique Air, Cape Air, Contour Airlines, Southern Airways Express, and Via Air.

(b) Includes Air Jamaica, Alaska, Bahamasair, Condor, Delta, Frontier, Icelandair, Norwegian, Sunwing, USA 3000, and Vision.

(c) Includes Atlas Air, Miami Air International, North American, Omni Air International, and World Airways, among others.

Source: Maryland Aviation Administration records.

Table 17

AIR CARGO ENPLANED AND DEPLANED BY AIRLINE

In metric tons

Baltimore/Washington International Thurgood Marshall Airport

Fiscal Years ended June 30

Airline	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Atlas Air	52	--	48	--	--	29	--	1,490	206	27,330	68,136	81,210
FedEx	53,001	53,355	54,006	56,355	56,488	49,896	48,271	53,837	53,064	55,232	55,394	52,796
ABX Air	2,169	5,490	6,048	7,918	8,596	9,270	11,341	10,269	10,442	40,124	32,225	62,870
UPS	20,275	20,859	23,099	23,670	23,934	24,009	24,690	25,680	26,876	27,092	24,925	26,313
Other *(a)*	20,092	21,866	21,630	21,750	23,280	21,791	25,595	28,133	37,103	43,545	31,398	25,027
Total	95,590	101,569	104,831	109,693	112,298	104,996	109,897	119,408	127,690	193,323	212,078	248,216
Annual change		6.3%	3.2%	4.6%	2.4%	(6.5%)	4.7%	8.7%	5.2%	51.4%	9.7%	17.0%
Percent of total												
Atlas Air	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.2%	0.2%	14.1%	32.1%	32.7%
FedEx	55.4	52.5	51.5	51.4	50.3	47.5	43.9	45.1	41.6	28.6	26.1	21.3
ABX Air	2.3	5.4	5.8	7.2	7.7	8.8	10.3	8.6	8.2	20.8	15.2	25.3
UPS	21.2	20.5	22.0	21.6	21.3	22.9	22.5	21.5	21.0	14.0	11.8	10.6
Other *(a)*	21.0	21.5	20.6	19.8	20.7	20.8	23.3	23.6	29.1	22.5	14.8	10.1
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note: Includes freight and mail on passenger and all-cargo airlines.

(a) Nearly all is belly cargo carried by Southwest and other passenger airlines.

Source: Maryland Aviation Administration records.

AIRCRAFT OPERATIONS

Table 18 presents historical data on aircraft operations (landings and takeoffs) at the Airport. In FY 2020, air carrier aircraft accounted for 83.5% of operations, air taxi and commuter aircraft for 11.6%, and general aviation aircraft for 4.4%. Most general aviation operations are by business jet aircraft. Military aircraft account for 0.5% of aircraft operations at the Airport.

Table 18
HISTORICAL AIRCRAFT OPERATIONS
Baltimore/Washington International Thurgood Marshall Airport
Fiscal Years ended June 30

Fiscal Year	Air carrier	Air taxi/ commuter	General aviation	Military	Total operations
2000	200,825	69,370	31,222	1,992	303,409
2001	228,571	63,628	36,358	2,622	331,179
2002	212,990	67,143	29,205	3,366	312,704
2003	208,180	50,816	34,473	2,632	296,101
2004	214,317	48,761	42,212	1,908	307,198
2005	220,062	52,895	38,261	1,040	312,258
2006	210,383	56,141	36,728	926	304,178
2007	208,802	60,214	35,341	729	305,086
2008	209,631	51,101	29,979	770	291,481
2009	199,615	43,838	22,030	790	266,273
2010	203,495	43,896	24,826	791	273,008
2011	218,327	40,377	18,844	611	278,159
2012	216,113	40,879	16,319	937	274,248
2013	208,102	37,085	15,945	1,152	262,284
2014	200,564	32,045	17,343	1,333	251,285
2015	198,490	25,756	17,890	1,119	243,255
2016	204,688	26,666	15,538	1,375	248,267
2017	210,984	27,503	13,573	1,173	253,233
2018	222,127	32,075	13,021	1,031	268,254
2019	216,717	31,065	12,235	1,112	261,129
2020	187,290	25,930	9,922	1,115	224,257
	Average annual percent increase (decrease)				
2000-2007	0.6%	(2.0%)	1.8%	(13.4%)	0.1%
2007-2010	(0.9)	(10.0)	(11.1)	2.8	(3.6)
2010-2019	0.7	(3.8)	(7.6)	3.9	(0.5)
2019-2020	(13.6)	(16.5)	(18.9)	0.3	(14.1)

Source: Federal Aviation Administration website, aspm.faa.gov accessed October 2020.

RECENT CHANGES IN PASSENGER AND CARGO TRAFFIC

Historical patterns of passenger and cargo traffic at the Airport were drastically disrupted by the coronavirus pandemic beginning in early 2020. By February, the virus that causes the COVID-19 respiratory disease had spread from China and southeast Asia to Europe, the United States, and around the world. In March, COVID-19 was declared a global pandemic by the World Health Organization. Work-at-home requirements, mandated closures of offices and businesses, and other restrictions imposed to contain the pandemic have caused serious economic contraction, unemployment, and financial hardship. This economic dislocation, combined with travel restrictions, public health concerns about the contagion, and social distancing requirements, resulted in drastic and unprecedented reductions in airline travel at the Airport and nearly all other U.S. airports beginning in February 2020.

Table 19 presents data on airline service, enplaned passengers, security screenings of passengers by the TSA, and air cargo tonnage at the Airport by month since January 2020 relative to the same month of 2019. As shown, passenger numbers in April were only 4% of those recorded a year earlier and by November had recovered to 38% of those recorded a year earlier. Airline service in October 2020, as measured by departing seats, had recovered to 58% of the number in October 2019, while the average passenger load factor (enplaned passengers as a percentage of departing seats) was 58% in October 2020 versus 84% in October 2019. Passenger throughput at the TSA passenger screening checkpoints, which correlates closely with originating passenger numbers (and for which more recent data are available) in December 2020 was 36% of the throughput recorded in December 2019.

In contrast, air cargo activity at the Airport was increased during 2020, notwithstanding the pandemic's effects on economic activity and trade, partly because of the need to transport medical supplies, and partly because of the increased demand for package delivery as businesses and stores were closed to in-person shopping. Cargo tonnage at the Airport in July through November 2020 was 22% more than that carried in July through November 2019.

Table 19

AVERAGE DAILY FLIGHTS, SEATS, PASSENGERS, TSA THROUGHPUT, AND CARGO BY MONTH

Baltimore/Washington International Thurgood Marshall Airport

	Average Daily 2020											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Passenger												
Departing flights	282	277	259	113	111	174	229	222	192	190	199	n.a.
Departing seats	40,243	39,345	37,423	15,965	15,418	24,747	32,884	31,690	26,729	26,536	n.a.	n.a.
Enplaned passengers	30,617	30,848	16,515	1,513	4,618	12,178	15,051	14,081	14,193	15,342	14,166	n.a.
Load factor	76.1%	78.4%	44.1%	9.5%	30.0%	49.2%	45.8%	44.4%	53.1%	57.8%	n.a.	n.a.
TSA throughput	24,394	24,466	13,018	1,185	2,585	6,609	10,508	10,551	9,756	11,049	11,086	10,760
Air Cargo												
Departing flights	18	18	18	17	18	20	19	19	19	19	18	n.a.
Freight and mail (metric tons)												
Passenger	65	64	55	45	69	62	58	59	78	81	66	n.a.
All-cargo	592	581	651	579	670	760	717	694	700	724	652	n.a.
Total Cargo	657	645	706	624	739	822	775	752	778	804	718	n.a.
Enplaned passengers												
Southwest	20,371	20,342	10,549	991	3,778	9,961	10,010	9,639	10,376	10,949	9,593	n.a.
American	2,026	1,868	1,036	156	322	687	1,036	1,164	1,219	1,206	1,089	n.a.
Delta	2,373	2,349	1,175	115	194	367	453	737	767	905	817	n.a.
Spirit	3,409	3,884	2,507	145	58	605	2,700	1,521	887	1,164	1,669	n.a.
All other	2,437	2,405	1,247	107	266	558	852	1,020	944	1,118	999	n.a.
Total enplaned	30,617	30,848	16,515	1,513	4,618	12,178	15,051	14,081	14,193	15,342	14,166	n.a.

Table 19 *(page 2 of 2)*

AVERAGE DAILY FLIGHTS, SEATS, PASSENGERS, TSA THROUGHPUT, AND CARGO BY MONTH

Baltimore/Washington International Thurgood Marshall Airport

	Percent of 2019											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Passenger												
Departing flights	102.9%	104.1%	85.4%	35.8%	34.7%	52.2%	68.8%	67.2%	62.0%	60.4%	61.7%	n.a.
Departing seats	103.8	104.3	86.8	35.1	33.3	51.3	68.2	66.5	60.2	58.1	n.a.	n.a.
Enplaned passengers	106.1	103.4	46.4	4.0	11.9	29.4	36.5	34.7	40.0	39.9	37.6	n.a.
Load factor	102.1	99.1	53.4	11.4	35.7	57.3	53.5	52.2	66.4	68.7	n.a.	n.a.
TSA throughput	106.5	103.9	46.5	3.9	8.2	19.6	31.8	32.6	35.0	36.8	37.4	35.7
Air Cargo												
Departing flights	115.9%	114.1%	118.1%	111.9%	109.6%	125.8%	116.5%	107.4%	115.1%	94.1%	92.5%	n.a.
Freight and mail (metric tons)												
Passenger	94.7%	95.7%	80.2%	62.9%	95.3%	95.2%	87.1%	88.2%	118.4%	115.7%	96.0%	n.a.
All-cargo	114.4	115.7	130.0	116.4	123.7	141.2	133.8	119.8	127.8	138.2	105.1	n.a.
Total Cargo	112.1%	113.4%	124.0%	109.7%	120.4%	136.2%	128.6%	116.5%	126.8%	135.6%	104.2%	n.a.
Enplaned passengers												
Southwest	106.3%	104.4%	46.2%	4.0%	15.3%	38.0%	38.5%	37.7%	45.2%	43.4%	38.3%	n.a.
American	96.2	81.8	42.9	5.9	12.3	25.8	38.1	42.7	48.9	46.2	43.5	n.a.
Delta	110.4	108.0	38.9	3.4	5.8	10.6	13.4	21.6	26.7	30.7	29.7	n.a.
Spirit	115.0	113.7	58.5	3.6	1.3	12.6	55.3	31.3	23.6	27.3	37.5	n.a.
All other	98.2	97.0	40.6	3.2	7.5	13.1	20.3	25.5	27.8	32.8	34.2	n.a.
Total enplaned	106.1%	103.4%	46.4%	4.0%	11.9%	29.4%	36.5%	34.7%	40.0%	39.9%	37.6%	n.a.

n.a. = not available.

Note: TSA throughput numbers include passengers, employees, airline crew, and non-revenue passengers. TSA employees, air marshals, and known crew members who are SITA-badged at BWI are excluded. November data for enplaned passengers are preliminary.

Sources: Departing seats: U.S. DOT, Schedule T100 accessed January 19, 2021.
Departing flights, enplaned passengers and cargo tonnage: Maryland Aviation Administration records.
TSA throughput: Transportation Security Administration.

KEY FACTORS AFFECTING FUTURE AIRLINE TRAVEL

In addition to the demographics and economy of the Baltimore-Washington, D.C., region, as discussed earlier, key factors that will affect future airline traffic at the Airport in the long term include:

- COVID-19 pandemic and public health concerns
- Economic and geopolitical conditions
- Financial health of the airline industry
- Airline service and routes
- Airline competition and airfares
- Availability and price of aviation fuel
- Aviation safety and security concerns
- Capacity of the national air traffic control system
- Capacity of the Airport

COVID-19 Pandemic and Public Health Concerns

Since 2002, public health concerns and associated restrictions on travel have from time to time reduced airline travel demand to and from various parts of the world. Examples are Severe Acute Respiratory Syndrome (SARS) in 2002-2003, the H1N1 influenza virus in 2009, Middle East Respiratory Syndrome (MERS) in 2013, Ebola Virus Disease (EVD) in 2014-2016, and the Zika virus in 2016-2017. In all these historical examples, reductions in airline travel were geographically localized and fairly short-lived, with travel soon recovering to pre-health-scare trends.

The COVID-19 pandemic is having far more serious and far-reaching effects on airline travel worldwide. At the end of 2019, the highly contagious novel coronavirus that causes the COVID-19 respiratory illness emerged in Asia, soon spreading to most parts of the world. COVID-19 was declared a global pandemic by the World Health Organization in March 2020 and has yet to be contained.

Governmental actions to slow the spread of the disease, including the mandated closure of businesses and offices, work-at-home requirements, prohibitions of public gatherings, quarantines, and travel restrictions have contributed to a recession in the global economy and widespread job losses. The economic recession, combined with continuing fears about contagion, has resulted in a severe reduction in the demand for air travel, the grounding of much of the world's airline fleets, and cuts in airline service. Since April 2020, airline service in the United States has gradually been restored and airline travel has recovered, but as of the end of 2020, the number of passengers enplaning at U.S. airports was still only approximately 40% of the number enplaned as of the end of 2019.

The global economic disruption and reduction in airline travel caused directly and indirectly by the COVID-19 pandemic dwarfs the effects of earlier public health scares and will have far-reaching implications for the global airline industry perhaps extending for several years. Until governments and public health authorities are able to contain the spread of the disease, eventually eliminate it through the widespread availability of effective vaccines, and reverse the associated economic destruction, COVID-19 is likely to overshadow all other factors affecting future airline travel.

Questions also remain about how some determinants of travel demand may change even once control of the pandemic and economic recovery eventually allow a "new normal" travel environment to be restored. For example, permanent reductions in some business travel for in-person meetings may result from the widespread adoption of videoconferencing by workers who have been required to work from home.

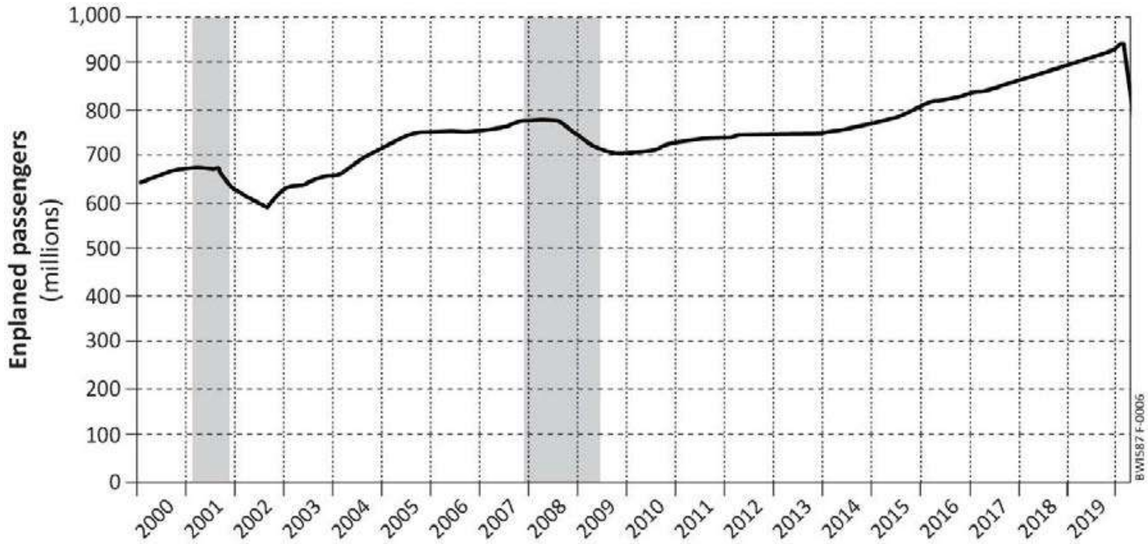
Economic and Geopolitical Conditions

Historically, airline passenger traffic nationwide has correlated closely with the state of the U.S. economy and levels of real disposable income. As illustrated on Figure 6, recessions in the U.S. economy in 2001 and 2008-2009 and associated high unemployment reduced discretionary income and resulted in reduced airline travel. Future increases in domestic passenger traffic at the Airport will depend partly on recovery from the COVID-19-induced economic recession and a resumption of national economic growth.

International passenger traffic at U.S. airports is also influenced by the globalization of business, international trade and tourism, international economics, trade balances, currency exchange rates, government policies, and geopolitical relationships. Concerns about hostilities, terrorist attacks, and other perceived security risks, and associated travel restrictions, also affect travel demand to and from particular international destinations from time to time.

Future increases in international passenger traffic will depend partly on global economic growth, a stable and secure international travel environment, and government policies that do not unreasonably restrict or deter travel.

Figure 6
HISTORICAL ENPLANED PASSENGERS ON U.S. PASSENGER AIRLINES



Notes: Data shown are 12-month moving averages of enplaned passengers on scheduled and non-scheduled flights to domestic and international destinations. Shaded areas indicate months of economic recession.

Sources: U.S. DOT, Bureau of Transportation Statistics, T100 Market and Segment, www.transtats.bts.gov, accessed October 2020; National Bureau of Economic Research, US Business Cycle Expansions and Contractions, www.nber.org.

Financial Health of the Airline Industry

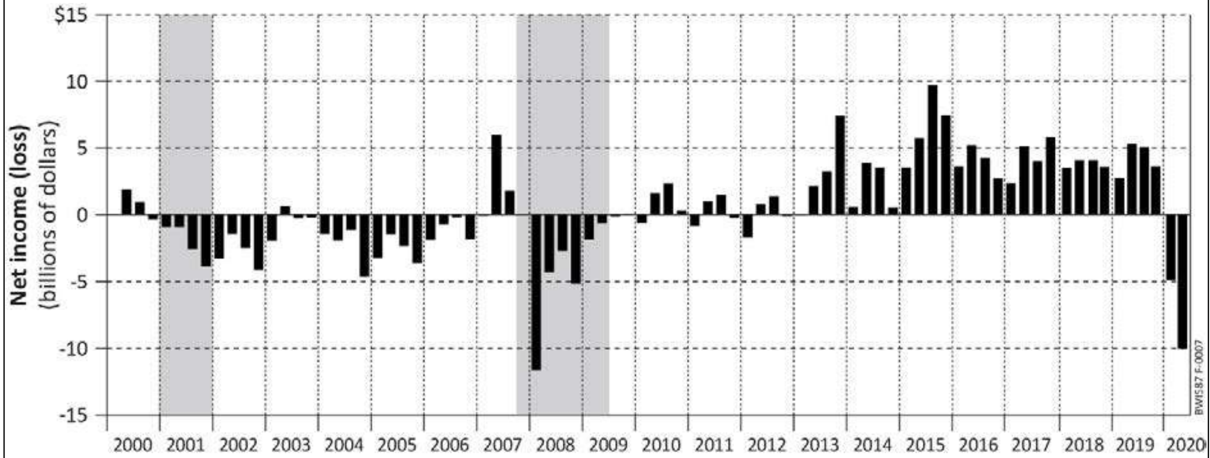
The number of passengers at the Airport will depend partly on the profitability of the U.S. airline industry and the associated ability of the industry and individual airlines to make the investments necessary to provide service. Figure 7 shows historical net income for U.S. airlines.

As a result of the 2001 economic recession, the disruption of the airline industry that followed the September 2001 attacks, increased fuel and other operating costs, and price competition, the industry experienced sustained financial losses between 2001 and 2006. Between 2002 and 2005, Delta, Northwest, United, and US Airways filed for bankruptcy protection and restructured their operations.

In 2007, the U.S. passenger airline industry was profitable, but, in 2008, as oil and aviation fuel prices increased to unprecedented levels and the U.S. economy contracted, the industry had record net losses. The industry responded by grounding less fuel-efficient aircraft, eliminating unprofitable routes and hubs, reducing seat capacity, and increasing airfares.

Figure 7

NET INCOME FOR U.S. AIRLINES



Notes: Includes scheduled service on U.S. carriers only. Shaded areas indicate quarters of economic recession.

Source: U.S. DOT, Bureau of Transportation Statistics, Net Income, F41 Schedule P12, www.transtats.gov, accessed October 2020.

From 2010 to 2013, after recovery from the recession, the U.S. passenger airline industry generally recorded positive net income, notwithstanding sustained high fuel prices, by controlling capacity and nonfuel expenses, increasing airfares, achieving high load factors, and increasing ancillary revenues. American filed for bankruptcy protection in 2011.

Then, in 2014 through 2019, the U.S. passenger airline industry reported a succession of profitable years as fuel prices were low, demand was strong, and control of capacity allowed fares and ancillary charges to remain high, even as agreements between the major airlines and their unionized employees resulted in increased labor costs.

In 2020, the destruction of air travel demand caused by the COVID-19 pandemic caused unprecedented industry losses. These losses were partially mitigated by federal aid that provided $25 billion in grants and loans under the Payroll Support Program (PSP). The PSP funding, which was conditioned on its use for payroll and benefits and prohibited airlines from imposing involuntary furloughs, ended in September 2020.

Since then, airlines have taken various actions to reduce costs and maintain liquidity, including reducing staffing. Most airlines have offered their employees various voluntary separation programs whereby employees are provided with severance payments and can keep health care and other benefits. But most airlines have also signaled that involuntary furloughs are inevitable, absent pay cuts or additional federal aid. In addition to reducing staffing, many airlines have also accelerated the retirement of older aircraft and deferred the acquisition of new aircraft and expect to operate with much reduced capacity until travel demand recovers.

Sustaining industry profitability after recovery from the effects of the pandemic will depend on, among other factors, economic growth to support airline travel demand, continued capacity control to enable increased airfares, and stable fuel prices and labor costs.

Consolidation of the U.S. airline industry between 2001 and 2016 resulted from the acquisition of Trans World by American (2001), the merger of US Airways and America West (2005), the merger of Delta and Northwest (2009), the merger of United and Continental (2010), the acquisition of AirTran by Southwest (2011), the merger of American and US Airways (2013), and the acquisition of Virgin America by Alaska (2016). Such consolidation has resulted in four airlines (American, Delta, Southwest, and United) and their regional affiliates accounting for approximately 76% of domestic seat-mile capacity in 2019. The consolidation has contributed to industry profitability.

However, a continuation of the financial losses now being incurred as a result of the pandemic and economic recession could cause one or more U.S. airlines to seek bankruptcy protection or liquidate. The liquidation of any of the large network airlines would drastically affect airline service at certain connecting hub airports and change airline travel patterns nationwide.

Airline Service and Routes

The Airport accommodates travel demand to and from the Baltimore-Washington, D.C., region and serves as a connecting hub. The number of origin and destination passengers at the Airport depends primarily on the intrinsic attractiveness of the region as a business and leisure destination, the propensity of its residents to travel, and the airfares and service provided at the Airport and at other competing airports. By contrast, the number of connecting passengers depends almost entirely on the airline service provided.

The large airlines have developed hub-and-spoke systems that allow them to offer high-frequency service to many destinations. Because most connecting passengers have a choice of airlines and intermediate airports, connecting traffic at an airport depends primarily on the route networks and flight schedules of the airlines serving that airport and competing hub airports. Since 2003, as the U.S. airline industry consolidated, airline service has been reduced at many former connecting hub airports, including those serving St. Louis (American, 2003-2005), Dallas-Fort Worth (Delta, 2005), Pittsburgh (US Airways, 2006-2008), Las Vegas (US Airways, 2007-2010), Cincinnati (Delta, 2009-2012), Memphis (Delta, 2011-2013), and Cleveland (United, 2014).

As discussed in earlier sections, BWI serves as a connecting airport for Southwest. As a result, much of the connecting passenger traffic at the Airport results from the route network and flight schedule of Southwest, rather than the economy of the Airport service region. If Southwest were to reduce connecting service at the Airport, such service would not necessarily be replaced by other airlines, although reductions in service by any airline would create business opportunities for others.

Airline Competition and Airfares

Airline fares have an important effect on passenger demand, particularly for relatively short trips for which automobile and other surface travel modes are potential alternatives, and for price-sensitive "discretionary" travel. The price elasticity of demand for airline travel increases in weak economic conditions when the disposable income of potential airline travelers is reduced. Airfares are influenced by airline capacity and yield management; passenger demand; airline market presence; labor, fuel, and other airline operating costs; taxes, fees, and other charges assessed by governmental and airport agencies; and competitive factors. Future passenger numbers, both nationwide and at the Airport, will depend in part on the level of airfares.

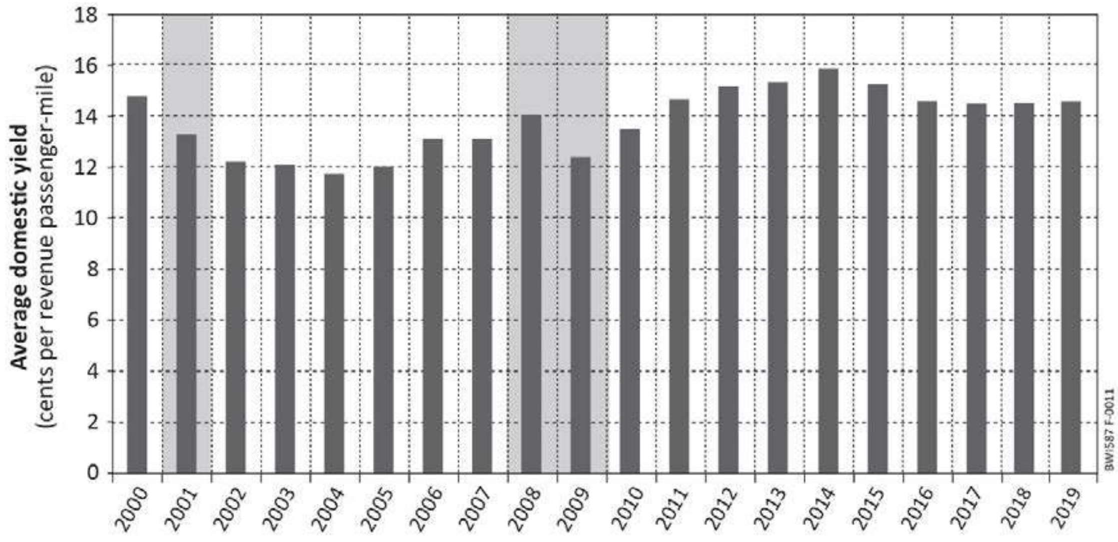
Figure 8 shows the historical average domestic yield (airfare per passenger-mile) for U.S. airlines. After the 2008-2009 recession, the average yield increased through 2014 as airline travel demand strengthened and the airlines collectively reduced available seat capacity and were able to sustain airfare increases. Between 2014 and 2016, the average yield was reduced as a result of airline competition, and since then, through 2019, has been fairly stable.

Beginning in 2006, charges were introduced by most airlines for optional services such as checked baggage, preferred seating, in-flight meals, and entertainment, thereby increasing the effective price of airline travel more than yield figures indicate.

Availability and Price of Aviation Fuel

The price of aviation fuel is a critical and uncertain factor affecting airline operating economics. Figure 9 shows the historical fluctuation in aviation fuel prices caused by the many factors influencing the global demand for and supply of oil.

Figure 8
HISTORICAL DOMESTIC YIELD FOR U.S. AIRLINES



Notes: Average yields shown are net of taxes, fees, and passenger facility charges and exclude fees charged by the airlines for optional services. Shaded areas indicate economic recession during all or part of year.

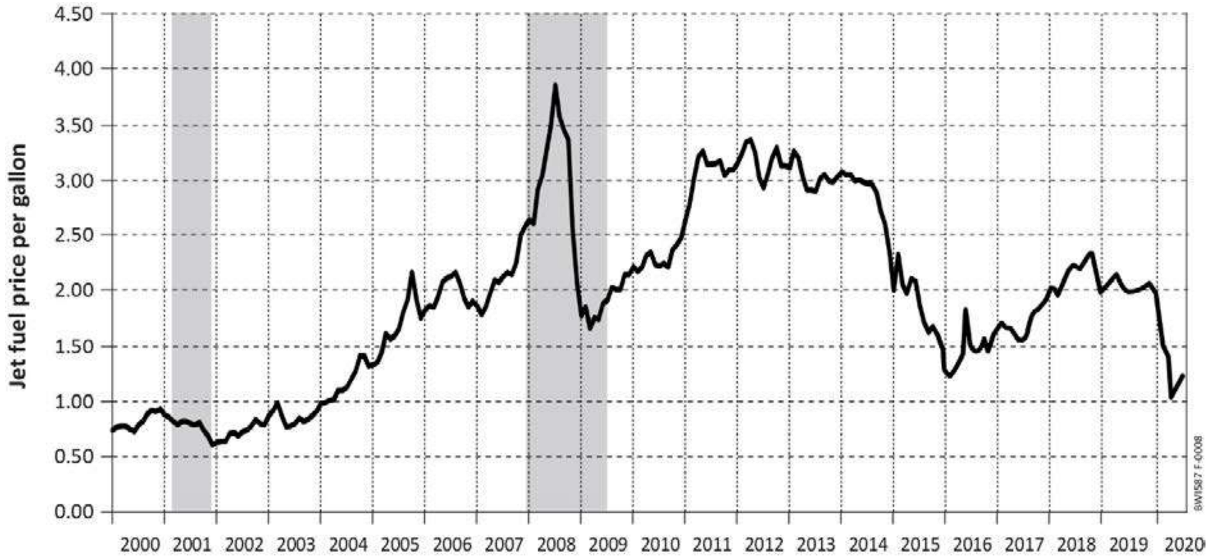
Source: U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedule T100.

Between 2011 and 2014, aviation fuel prices were relatively stable, partly because of increased oil supply from U.S. domestic production made possible by the hydraulic fracturing of oil-bearing shale deposits and other advances in extraction technologies. As of mid-2014, average fuel prices were approximately three times those at the end of 2003 and accounted for between 30% and 40% of expenses for most airlines.

Beginning in mid-2014, an imbalance between worldwide demand and supply resulted in a precipitous decline in the price of oil and aviation fuel through the end of 2015. Fuel prices then increased through 2019, before again declining during the COVID-19-inducedrecession. The average price of aviation fuel at the end of 2020 was approximately 40% of the price at mid-2014.

Aviation fuel prices will continue to affect airfares, passenger numbers, airline profitability, and the ability of airlines to provide service. Airline operating economics will also be affected as regulatory costs are imposed on the airline industry as part of efforts to reduce aircraft emissions contributing to climate change.

Figure 9
HISTORICAL AVIATION FUEL PRICES



Notes: Shaded areas indicate months of economic recession.
Source: U.S. DOT, Bureau of Transportation Statistics, Airline Fuel Cost and Consumption, F41 Schedule P12A, www.transtats.gov, accessed October 2020.

Aviation Safety and Security Concerns

Concerns about the safety of airline travel and the effectiveness of security and public health precautions influence passenger travel behavior and airline travel demand. Anxieties about the safety of flying and the inconveniences and delays associated with security screening procedures, and now COVID-19 testing, lead to both the avoidance of travel and the switching from air to surface modes of transportation for short trips.

Safety concerns in the aftermath of the September 2001 attacks were largely responsible for the steep decline in airline travel nationwide in 2002. Since 2001, government agencies, airlines, and airport operators have upgraded security measures to guard against changing threats and maintain confidence in the safety of airline travel. These measures include strengthened aircraft cockpit doors, changed flight crew procedures, increased presence of armed federal air marshals, federalization of airport security functions under the TSA, more effective dissemination of information about threats, more intensive screening of passengers and baggage, and deployment of new screening technologies.

Following the fatal crashes of B-737 MAX aircraft that were caused by the malfunction of the aircraft's automated flight control system, all B-737 MAX aircraft were grounded in March 2019. Among U.S. airlines, American, Southwest, and United have been affected. At the time of the grounding, B-737 MAX aircraft accounted for approximately 1.5% of U.S. airline seat capacity.

Southwest has the largest MAX fleet of any airline and its flight operations have been particularly affected by the grounding. At BWI, before the grounding, operations by MAX aircraft accounted for 8.7% of seat capacity on Southwest and 5.9% of seat capacity on all airlines. In November 2020, the FAA rescinded its order grounding the aircraft, allowing it gradually to be reintroduced into service in 2021.

Historically, airline travel demand has recovered after temporary decreases stemming from terrorist attacks or threats, hijackings, aircraft crashes, and other aviation safety concerns. Provided that precautions by government agencies, airlines, and airport operators serve to maintain confidence in the safety of commercial aviation without imposing unacceptable inconveniences for airline travelers, future demand for airline travel will depend primarily on economic, not safety or security, factors.

Capacity of the National Air Traffic Control System

Demands on the national air traffic control system have, in the past, caused delays and operational restrictions affecting airline schedules and passenger traffic. The FAA is gradually implementing its Next Generation Air Transportation System (NextGen) air traffic management programs to modernize and automate the guidance and communications equipment of the air traffic control system and enhance the use of airspace and runways through improved air navigation aids and procedures. Since 2007, airline traffic delays have decreased because of reduced numbers of aircraft operations (down approximately 15% between 2007 and 2018) but, as airline travel recovers from the pandemic and increases in the future, flight delays and restrictions may occur.

Capacity of the Airport

In addition to any future constraints that may be imposed by the capacity of the national air traffic control and airport systems, future growth in airline traffic at the Airport will depend on the capacity of the Airport itself. BWI's airfield and terminal capacity are expected to be sufficient to accommodate future growth in airline traffic at the Airport well beyond the projection period covered in this report.

PASSENGER TRAFFIC RECOVERY SCENARIOS

In the long term, airline traffic at the Airport can be expected to be largely determined by the demographics and economy of the Airport service region and the other key factors just discussed. In the near term, these factors will be overshadowed by the question of how long it will be before control of the COVID-19 pandemic and economic recovery allows airline traffic to recover from the depressed levels of late 2020.

This report does not present forecasts of airline traffic at the Airport based on analyses of the economic basis for airline traffic at the Airport, trends in historical airline traffic, forecasts of economic growth, and other key factors that will affect future traffic. Rather, the report presents a range of hypothetical scenarios for the recovery of passenger traffic as a basis for projecting Airport financial results.

The adopted scenarios for passenger traffic recovery, as shown in Table 20, were developed on the assumptions that "something approaching pre-pandemic levels" of passenger traffic is 90% of 2019 numbers for domestic passengers and 75% of 2019 numbers for international passengers, or approximately 88% overall.

Recovery to 88% of the December 2019 level was hypothesized to happen:

- Under a "Fast Recovery" (optimistic) scenario by December 2021
- Under a "Moderate Recovery" scenario by December 2022
- Under a "Slow Recovery" (pessimistic) scenario by December 2023

These assumptions result in annual enplaned passenger numbers recovering to approximately 88% of the FY 2019 number in FY 2023, FY 2024, and FY 2025 under the Fast Recovery, Moderate Recovery, and Slow Recovery scenarios respectively. Under all three scenarios, enplaned passenger numbers were projected to be the same for FY 2025, at 12.0 million. Passenger numbers were then projected to increase 2.5% in FY 2026, a rate consistent with pre-pandemic expectations.

Projected passenger numbers and financial results for FY 2021 through FY 2026 under the Moderate Recovery scenario are presented in Exhibits A through F and summarized in Exhibit G-1. Summaries of projected results under the Fast Recovery and Slow Recovery scenarios are presented in Exhibits G-2 and G-3, respectively. For all three scenarios, aircraft landed weight for the passenger airlines was projected to increase at approximately the same rate as for enplaned passenger numbers.

Table 20

ENPLANED PASSENGER TRAFFIC RECOVERY SCENARIOS

Baltimore/Washington International Thurgood Marshall Airport

Fiscal Years ending June 30

	Historical		Projected				
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Fast Recovery							
Domestic	12,751	9,611	6,300	10,450	11,160	11,330	11,500
International	664	423	190	430	480	490	500
Total	13,416	10,034	6,490	10,880	11,640	11,820	12,000
Annual change		(25.2%)	-35.3%	67.6%	7.0%	1.5%	1.5%
Moderate Recovery							
Domestic	12,751	9,611	5,620	8,320	10,710	11,250	11,500
International	664	423	140	300	450	480	500
Total	13,416	10,034	5,760	8,620	11,160	11,730	12,000
Annual change		(25.2%)	-42.6%	49.7%	29.5%	5.1%	2.3%
Slow Recovery							
Domestic	12,751	9,611	5,360	7,230	9,140	10,840	11,500
International	664	423	120	230	350	460	500
Total	13,416	10,034	5,480	7,460	9,490	11,300	12,000
Annual change		(25.2%)	-45.4%	36.1%	27.2%	19.1%	6.2%
PERCENT OF FY 2019							
Fast Recovery							
Domestic	100%	75%	49%	82%	88%	89%	90%
International	100%	64%	29%	65%	72%	74%	75%
Total	100%	75%	48%	81%	87%	88%	89%
Moderate Recovery							
Domestic	100%	75%	44%	65%	84%	88%	90%
International	100%	64%	21%	45%	68%	72%	75%
Total	100%	75%	43%	64%	83%	87%	89%
Slow Recovery							
Domestic	100%	75%	42%	57%	72%	85%	90%
International	100%	64%	18%	35%	53%	69%	75%
Total	100%	75%	41%	56%	71%	84%	89%

Sources: Historical: Maryland Aviation Administration records; Projected: LeighFisher, October 2020.

FINANCIAL ANALYSIS

FRAMEWORK FOR AIRPORT FINANCIAL OPERATIONS AND FUNDING

Roles of Maryland State Agencies

Maryland Aviation Administration. The Maryland Aviation Administration, an agency of the State of Maryland and a unit of the Maryland Department of Transportation, is responsible for fostering and developing aviation activity and facilities in the State and for operating, maintaining, and developing airports in the State. MAA operates the Airport and Martin State Airport.

Maryland Transportation Authority. The Maryland Transportation Authority, also an agency of the State, is responsible for the financing, development, and operation of certain revenue-producing transportation facilities projects, including the financing and development of Airport projects, and is authorized to issue revenue bonds to finance the costs of such projects. MDTA has in the past issued bonds on behalf of, and has made direct loans to, MAA to fund capital improvements at the Airport.

Maryland Economic Development Corporation. The purpose of the Maryland Economic Development Corporation, also an agency of the State, is to assist in the expansion and retention of Maryland businesses and to attract new businesses to the State. MEDCO is authorized to issue bonds to finance such assistance and has in the past issued bonds on behalf of MAA to fund capital improvements at the Airport.

Outstanding Indebtedness

MDTA 2012AB Airport Parking Revenue Bonds. In April 2012, MDTA issued Airport Parking Revenue Refunding Bonds, Series 2012A and 2012B (MDTA 2012AB Airport Parking Revenue Bonds) to refund bonds issued in 2002 to finance certain of the costs of constructing the Daily Parking Garage and roadway, terminal curbside, central utility plant, and other capital improvements at the Airport. The MDTA 2012AB Airport Parking Revenue Bonds are secured by and payable from revenues derived from the Airport's public parking facilities.

The entire approximately $101.1 million outstanding principal amount of the MDTA 2012AB Airport Parking Revenue Bonds is to be refunded with the proceeds of the 2021A-1 Refunding Bonds.

MEDCO 2012 Lease Revenue Bonds. In October 2012, MEDCO issued Lease Revenue Refunding Bonds, Series 2012 (MEDCO 2012 Lease Revenue Bonds) to refund bonds issued in 2003 to finance certain of the costs of constructing the expansion and renovation of Concourses A and B and other improvements to the passenger terminal involving the addition of 500,000 square feet of terminal space and the addition of 15 new gates. The MEDCO 2012 Lease Revenue Bonds are secured by and payable from Airport revenues payable by MAA under a lease agreement with MEDCO.

The entire approximately $115.0 million outstanding principal amount of the MEDCO 2012 Lease Revenue Bonds is to be refunded with the proceeds of the 2021A-2 Refunding Bonds.

MAA Certificates of Participation. MAA has outstanding Certificates of Participation (COPs) issued as Series 2010 (for improvements at Concourse B) and Series 2019 (for a fleet of 40 clean diesel buses to provide shuttle service between the passenger terminal, public parking facilities, and the BWI Rail Station). Debt service on the 2010 COPs and 2019 COPs, which constitute Other Obligations as defined in the Trust Agreement, is payable from amounts on deposit in the TTF, subject to the appropriation of such funds for such purpose by the State General Assembly.

Trust Agreement

The 2021A Refunding Bonds and planned 2021-2022 Bonds are to be issued under the provisions of the Trust Agreement and will be secured by and payable from Pledged Revenues of the Airport System. The Trust Agreement defines Pledged Revenues as Operating Revenues plus Investment Income and defines Net Pledged Revenues as Pledged Revenues less Operating Expenses.

The Trust Agreement creates certain funds and specifies priorities for the deposit of Pledged Revenues into such funds, as described in the later section "Application of Pledged Revenues." In the Rate Covenant of the Trust Agreement (summarized in the letter at the beginning of this report), MDOT covenants that it will cause MAA to establish and collect Pledged Revenues in each Bond Year to meet Operating Expenses, Bond Debt Service Requirements, and other funding requirements. The Trust Agreement also specifies conditions that must be met for the issuance of Additional Bonds.

Airline Agreement

Effective July 1, 2019, MAA entered into a new use and lease agreement (Airline Agreement) with the airlines accounting for substantially all the passengers enplaned at the Airport (Airlines). The Airline Agreement, which will extend through June 30, 2026, replaced an agreement that had been in effect since July 1, 2014.

The Airline Agreement provides for the calculation of landing fees under a residual rate-making methodology and most terminal rentals under a commercial-compensatory rate-making methodology to ensure that MAA recovers all costs attributable to the Airline use and occupancy of Airport facilities. The 2021 Project is part of the pre-approved capital improvement program agreed to in the Airline Agreement, ensuring that the allocable Debt Service Requirements of the planned 2021-2022 Bonds may be included in the calculation of terminal rentals and use charges.

CARES Act Grants

In response to the disruptive effects of the COVID-19 pandemic on economic activity and airline travel, the federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law in March 2020. Among relief provided by the CARES Act is direct aid to the operators of U.S. airports in the form of grants to offset the loss of revenues resulting from the pandemic. The CARES Act provides for approximately $10 billion of such grants, allocated among airports by formula. MAA was awarded $87.6 million of CARES Act grants to support the financial operations of the Airport. CARES Act grants may be used by airport operators for any purpose for which airport revenues may lawfully be used. As discussed in later sections of this report, MAA used its CARES Act grants in FY 2020 to pay certain capital costs ($12.5 million), debt service requirements ($14.3 million), and operating expenses ($60.8 million).

SOURCES OF CAPITAL FUNDS

Transportation Trust Fund

The TTF is a special fund dedicated to funding the State's varying highway, transit, airport, and other transportation service and infrastructure needs. MDOT activities supported by the TTF include the payment of debt service; expenditures for operations, maintenance, and administration; payment of the State's share of funding for the Washington Metropolitan Area Transit Authority; capital grants to local governments; and funding of MDOT's capital projects. Sources of funds for the TTF include motor vehicle fuel taxes, titling taxes, licensing fees, and registration fees; a portion of the proceeds of the State's sales tax on short-term rental vehicles; a portion of the proceeds of the State's corporation income tax; operating revenues from the State's airport, port, and transit administrations; federal aid; and bond proceeds. MAA expects that the TTF will fund$5 million of the costs of the 2021 Project.

Passenger Facility Charge Revenues

MAA has approval from the FAA to impose a PFC of $4.50 per eligible enplaned passenger at the Airport. MAA is authorized to use PFC revenues to pay the debt service requirements of certain PFC bonds and has pledged PFC revenues to those PFC bonds. PFC revenues may also be used on a pay-as-you-go basis for FAA-approved capital projects. MAA does not expect to use PFC revenues for the 2021 Project.

Federal Grants

MAA is eligible to receive federal grants under the Airport Improvement Program (AIP) for up to 75% of the costs of airfield and other approved projects (80% for aircraft noise compatibility projects). MAA does not expect to receive federal AIP funding for the 2021 Project.

MDTA Loans

MDTA has agreed to lend to MAA a principal amount of $20.0 million to pay certain of the costs of the Concourse A Improvements Phase II project (2020 MDTA Loan). Repayment of the loan will be made over a 13-year term at approximately 1.5% interest.

MDTA has further agreed to lend to MAA a principal amount of $65.0 million to pay certain of the costs of improving the site for an aircraft maintenance base at BWI (2021 MDTA Loan). Repayment of the loan will be made over a 15-year term (beginning in 2024) at approximately 2.5% interest.

MAA does not expect to receive additional MDTA loans for the 2021 Project.

SOURCES AND USES OF BOND FUNDS FOR 2021 PROJECT

Exhibit B summarizes the estimated sources and uses of funds for the 2021A Refunding Bonds and the planned 2021-2022 Bonds, as provided by PFM Financial Advisors, LLC, MDOT's independent registered municipal advisor. Key financing assumptions are noted in the exhibit. Sources of funds were assumed to be only the proceeds of the Bonds. No investment earnings were assumed.

DEBT SERVICE REQUIREMENTS

The annual Debt Service Requirements of outstanding and proposed Bonds and Other Obligations payable from Pledged Revenues are shown in Exhibit C. Amounts shown for FY 2020 are before the use of CARES Act grants ($11.8 million) to pay debt service on the 2012 MEDCO Lease Revenue Bonds. The Debt Service Requirements of the 2021A Refunding Bonds and planned 2021-2022 Bonds are as estimated by PFM Financial Advisors, LLC, using the assumptions noted in Exhibit B.

OPERATING EXPENSES

Exhibit D presents historical and projected Operating Expenses. Historical data are from MAA's annual financial reports. Expenses are shown by object and as allocated to the Airfield, Terminal, Landside, and Martin State cost centers (discussed in the later section "Cost Centers and Airline Rate Base Requirements"). Amounts shown for FY 2020 are before the use of CARES Act grants ($60.8 million) and other operating grants ($2.4 million) to pay expenses related to the pandemic.

Operating Expenses are paid from the TTF as appropriated annually by the State General Assembly. Amounts shown for FY 2021 are the approved appropriation amounts less $18.0 million in expense reductions that MAA intends to achieve during the year.

Operating Expenses were projected, using estimated FY 2021 expenses as the base, by taking into account increases in unit costs as a result of inflation, projected changes in aviation activity, and planned changes in terminal facilities. It was assumed that:

1. The unit costs of salaries, wages, fringe benefits, materials, services, and supplies will increase an average of 3.0% per year to account for inflation.
2. The costs of operating, maintaining, and administering Airport facilities will not increase as a function of the passenger activity until after there is a recovery to pre-pandemic levels, after the projection period.
3. Beginning in FY 2022, operating and maintenance expenses for public parking will be approximately $7.5 million, with parking operated under the terms of a service contract. (See the later section "Public Parking.")
4. Terminal space to be added by the 2021 Project will increase operating and maintenance expenses beginning in FY 2025.

OPERATING REVENUES

Exhibit E presents historical and projected Operating Revenues. Historical data are from MAA's annual financial reports. The distribution of Operating Revenues by major category in FY 2019 was as shown in Table 21.

Individual components of Operating Revenues shown in Exhibit E were projected by taking into account historical results through FY 2020, allowances for price inflation at 2.5% per year, planned facility development, and the provisions of the Airline Agreement and other leases and agreements between MAA and Airport users and tenants.

Table 21
SUMMARY OF REVENUES
Baltimore/Washington International Thurgood Marshall Airport
Fiscal Year ended June 30, 2019

	Revenues	Share
Flight activities	$ 68,153,431	24.7%
Airline space rentals	42,351,582	15.3
Other terminal use fees	26,303,310	9.5
Subtotal airline revenues	$136,808,323	49.5%
Terminal concessions	$21,276,570	7.7%
Parking and ground transportation	90,271,647	32.7
Other	27,797,895	10.1
Subtotal nonairline revenues	$139,346,112	50.5%
Total	$276,154,435	100.0%

Revenues shown from sources related to passenger numbers, such as concession and parking revenues, were projected to change as a function of the Moderate Passenger Traffic Recovery scenario shown in Table 20. The specific assumptions underlying individual components of Operating Revenues are summarized in the following sections. In most instances, historical revenues and revenues per passenger are discussed for FY 2019, the most recent full Fiscal Year unaffected by pandemic-related traffic reductions.

AIRLINE REVENUES

Airline rentals, fees, and charges as calculated in accordance with the terms of the Airline Agreement are summarized in the following sections. Certain capitalized terms in these sections are as defined in the Airline Agreement.

Cost Centers and Airline Rate Base Requirements

For the purposes of accounting for MAA's costs and revenues and establishing Airline rentals, fees, and charges, the Airline Agreement defines Airfield, Passenger Terminal, Boarding Devices, Landside, Martin State, and Administrative cost centers. To simplify the presentation of results for this report, costs for Boarding Devices (i.e., passenger loading bridges) are included with Passenger Terminal costs and Administrative costs are allocated to the other cost centers, resulting in a summary by Airfield, Terminal, Landside, and Martin State.

The rate base requirements for the Airline cost centers (Airfield and Terminal) comprise, for each Fiscal Year, allocated Operating Expenses, allocated Bond Debt Service Requirements, and amortization of Capital Expenditures made from the

TTF. Requirements allocable to the Landside and Martin State cost centers are MAA's responsibility and paid from nonairline revenues.

Direct operating expenses incurred for the operation and maintenance of the Airport, including security and fire services, are allocated to the Airline and MAA cost centers according to percentages reflecting the functions of each MAA operating department. Administrative expenses are then allocated to the other cost centers in proportion to their direct operating expenses. The costs of administration space in the passenger terminal are also reallocated to the Airfield and Landside cost centers. Net allocations of operating expenses by cost center are shown in Exhibit D.

Allocation percentages for operating expenses, as agreed to by MAA and the Airlines in setting airline rentals, fees, and charges, are shown in Exhibit D.

Debt service is generally allocated to the Airline and MAA cost centers according to the costs of the projects funded with each series of Bonds or other indebtedness, as summarized in Exhibit C.

Capital Expenditures for projects made from the TTF are generally amortized over the useful life of each project using interest rates set forth in the Airline Agreement.

The Airline Agreement contains an Extraordinary Coverage Payments provision under which MAA may impose additional Airline rentals, fees, and charges so as to ensure that Net Pledged Revenues are sufficient to meet the debt service coverage requirement of the Rate Covenant. Any such Extraordinary Coverage Payments are to be retained by MAA only to the extent necessary to meet the Rate Covenant requirement and excess amounts are to be credited back to the Airlines.

Airline rentals, fees, and charges, as calculated using budgeted data, become effective as of the beginning of each Fiscal Year. The rate is subject to a mid-year adjustment if actual payments vary materially from the budgeted amounts. Following the close of the Fiscal Year, a reconciliation of Airline payments is made using actual costs, revenues, and activity for the Fiscal Year to determine the surplus or deficit in Airline payments. A settlement is then made by payment of a lump sum to the Airlines or MAA.

Landing Fees

The landing fee rate (assessed per 1,000 pounds of maximum certificated gross aircraft landed weight) is calculated under a residual rate-making methodology to fully recover Airfield Costs by dividing the Airfield rate base requirement, net of revenues received from other flight activities (aircraft parking fees and fuel flowage fees) by airline landed weight.

Terminal Rentals and Use Charges

Terminal rental rates (assessed per square foot) are calculated under a commercial-compensatory rate-making methodology to recover Terminal Costs allocable to Airline rented space. The Airline rate base requirement for the Terminal is divided by rentable space to determine rental rates by category of space by applying different weightings for ticket counter space (100%); holdroom, baggage claim, and public office space (75%); restricted access office space (60%); operations and baggage makeup space (50%); and ticket counter queueing space (20%).

Using the calculated terminal rental rates as the basis, fees and use charges are then set to recover the costs of common-use and other terminal facilities such as the International Arrivals Building (FIS Area), non-FIS baggage claim areas, and common-use holdrooms.

For purposes of the Exhibit E presentation, rentals paid by nonairline tenants in the passenger terminal are accounted for as airline revenues.

Airline Payments per Enplaned Passenger

Exhibit E-1 presents the calculation of landing fees, terminal rentals, and other charges paid by the passenger airlines and summarizes the total of all such airline payments per enplaned passenger. In FY 2019, airline payments to MAA averaged $9.28 per enplaned passenger. Projected landing fees and baggage claim fees for FY 2021 take into account a mid-year adjustment to the fee rates that became effective January 1, 2021.

TERMINAL CONCESSION REVENUES

Outlets for food, beverage, retail, and other concessions and passenger services are provided at the terminal in approximately 185,000 square feet of space. The development, leasing, marketing, and operation of the concession program is managed on behalf of MAA by Fraport Maryland (formerly Airmall) under a master concession agreement that extends (subject to cancellation by MAA) to April 2022. Under the agreement, Fraport collects rents calculated as a percentage of gross concession sales and pays to MAA the greater of 70% of such rents or a minimum annual guarantee (MAG). For the past several years, MAA has received the 70% percentage fee. MAA has waived the MAG for Fraport as well as nearly all other concessionaires through FY 2021 and reduced the MAGs through FY 2023.

In FY 2019, gross sales for terminal concessions and services were as shown in Table 22. Gross sales from food and beverage concessions were equivalent to $7.88 per enplaned passenger, with revenues to MAA amounting for 11.3% of gross sales. Gross sales from retail and other concessions were equivalent to $3.69 per enplaned passenger, with revenues to MAA amounting to 12.9% of gross sales.

Terminal concession revenues under the Fraport agreement were projected to change with numbers of enplaned passengers and price inflation but with no change in the percentage of gross sales payable to MAA. Increases in concession sales per enplaned passenger were also assumed to result from the improved and enlarged concession facilities to be provided by the Concourse A extension (approximately 5,100 square feet of additional space effective FY 2022) and the Concourse A/B Connector (approximately 4,400 square feet of additional space effective FY 2025).

Table 22
TERMINAL CONCESSION GROSS SALES
Baltimore/Washington International Thurgood Marshall Airport
Fiscal Year ended June 30, 2019

	Sales	Share
Food and beverage	$105,757,000	68.1%
News and gifts	25,242,000	16.3
Other retail	17,906,000	11.5
Passenger services	6,288,000	4.1
Total	$155,193,000	100.0%

Other concessions and passenger services from which MAA derived revenues in FY 2019 (not under the Fraport agreement) included a duty free shop, baggage carts, and various travel business services. The duty free operator terminated its contract with MAA in September 2020 after international airline service was suspended.

In FY 2019, revenues received by MAA from these and services totaled $2.9 million, equivalent to $0.22 per enplaned passenger. Such revenues were projected to change with numbers of enplaned passengers and inflation.

PARKING AND GROUND TRANSPORTATION REVENUES

Public Parking

MAA provides public parking spaces in an Hourly Parking Garage adjacent to the passenger terminal (connected to the terminal by enclosed walkways and a pedestrian tunnel) and in a Daily Parking Garage, Express Parking Lot, and Long-Term Parking lots, all accessible by free shuttle bus service. Valet parking service is also provided. Numbers of spaces and parking rates as of February 2020, before parking demand was reduced during the pandemic, were as shown in Table 23. Before recent pandemic-related decreases, parking rates were last changed in 2009.

As of February 2020, private operators provided approximately 7,100 parking spaces off-Airport served by shuttles. Off-Airport parking rates were competitive with those charged at MAA's Long-Term lots.

Table 23
PUBLIC PARKING FACILITIES AND RATES
Baltimore/Washington International Thurgood Marshall Airport
February 2020

	Spaces	Rates
Hourly Garage	5,000	$4 per hour, $22 per day
Daily Garage	8,400	$3 per hour, $12 per day
Express Lot	1,400	$2 per hour, $10 per day
Long-Term Lots	10,000	$1 per hour, $8 per day
Total	24,800	

Beginning in March 2020, in response to reduced parking demand, MAA closed the Express and Long-Term parking lots, consolidating all parking at the Hourly and Daily garages. Valet parking service was also discontinued. To compensate for the loss of inexpensive surface lot parking, MAA has temporarily reduced parking rates at the Daily Garage from $12 per day to $8 per day. To encourage use of the Hourly Garage and reduce the need for shuttle bus use, MAA has temporarily reduced parking rates at the Hourly Garage from $22 per day to $12 per day.

On-Airport parking facilities have been operated on behalf of MAA under a concession contract with SP+Parking that became effective in January 2015 and expired in June 2020. The concession contract was replaced with an emergency management contract that expires in June 2021. Under the terms of the prior concession contract, the contractor managed and operated all public parking facilities, collected customer parking fees, and paid to MAA the greater of 87.17% of parking receipts (net of taxes, credit card fees, and customer refunds) or a minimum monthly amount. For the past several years, the contractor paid the percentage amount. In FY 2019, parking revenues received by MAA were $66.1 million, equivalent to $6.65 per originating passenger, and in FY 2020 were $48.0 million, equivalent to $6.56 per originating passenger.

MAA is in the process of soliciting a contractor to operate parking, when the emergency management contract expires, through a service contract under which MAA will pay parking operating and maintenance expenses (including a management fee) and receive gross parking revenues (without reduction for concession fees).

Shuttle buses that provide service between the passenger terminal and MAA's public parking facilities (also employee parking lots and the BWI Marshall Rail Station) are operated under a separate management contract with First Transit, Inc. that extends to August 2021.

Since FY 2015, numbers of parking transactions have decreased relative to numbers of originating passengers. Between FY 2015 and FY 2019, the number of parking transactions increased 5.2%, while the number of originating passengers increased 22.9%, resulting in a 14.4% four-year decrease in the propensity to park as measured by parking transactions per originating passenger.

The decreased propensity to park is the result of changed airport access travel choices attributable mainly to changes in the relative cost and convenience of competing travel modes. One cause of the decrease in the propensity to park is the increase in the use of Lyft and Uber ride-hailing services (also referred to as transportation network companies or TNCs) as discussed in the later section “Other Ground Transportation.” Short-stay parking transactions have also been reduced as mobile phones make arranging curbside pick-up easier.

Patterns of parking at the Airport, as well as use of other access modes, have been disrupted during the pandemic, and how they may change as passenger demand returns is speculative. For purposes of the financial projections, it was assumed that there will be further decreases in the propensity to park as changes in technology and economics make travel modes other than driving more convenient and attractive.

It was assumed that, as parking demand returns, parking lots will be brought back into service and rates will be increased to February 2020 levels, but that rates will not be increased further during the projection period. As a result, gross parking revenues per originating passenger by FY 2025 are projected to be approximately 95% of the FY 2019 amount, equivalent to $7.24 per originating passenger

Historical parking revenues shown in Exhibit E are as were received by MAA under the concession contract (net of concession fees). Projected parking revenues for FY 2021 are shown net of operating expenses under the emergency management contract. Beginning in FY 2022, projected parking revenues shown are gross revenues assuming parking is operated under a service contract (with parking expenses included in Exhibit D under contractual services). Net parking revenues to MAA are projected to be similar to what would be received under a concession contract with terms similar to the contract that was in effect through FY 2020.

Rental Cars

All rental car companies at the Airport operate under agreements whereby they occupy and operate from premises at the consolidated rental car center. Such agreements provide for the payment of privilege fees calculated as 10% of gross receipts (subject to MAGs). MAA waived the MAGs through December 2020 and has reduced the MAGs thereafter through FY 2023.

During FY 2019, 10 rental car companies provided services at the Airport. Their shares of revenues paid to MAA were as shown in Table 24.

Table 24

RENTAL CAR REVENUES

Baltimore/Washington International Thurgood Marshall Airport

Fiscal Year ended June 30, 2019

Hertz *(a)*	$ 3,172,644	17.9%
National *(b)*	2,909,082	16.4
Enterprise *(b)*	2,796,246	15.7
Avis *(c)*	2,265,895	12.8
Alamo *(b)*	2,200,924	12.4
Budget *(c)*	1,985,702	11.2
Dollar *(a)*	936,264	5.3
Thrifty *(a)*	622,532	3.5
Payless *(c)*	494,817	2.8
NextCar/AllCar	387,303	2.2
Total	$17,771,408	100.0%

(a) Subsidiary of Hertz Global Holdings, Inc.
(b) Subsidiary of Enterprise Holdings, Inc.
(c) Subsidiary of Avis Budget Group.

In FY 2019, rental car privilege fees received by MAA were $17.8 million, equivalent to $1.79 per originating passenger, and in FY 2020, with reduced passenger traffic, were $14.0 million, equivalent to $1.92 per originating passenger.

Following the reduction in airport rental car business caused by the pandemic, Hertz Global Holdings, parent of Dollar, Hertz, and Thrifty, filed for Chapter 11 bankruptcy protection in May 2020. All three brands continue their BWI operations. Payless vacated its premises at the Airport in September 2020.

As with parking, since FY 2015, the number of rental car transactions has decreased relative to the number of originating passengers as airport access travel choices have changed. Between FY 2015 and FY 2019, the propensity to rent, as measured by the number of rental car transactions per originating passenger, decreased 13.8%. Rental car revenues were projected to change with originating passenger numbers, assuming some further decreases in the propensity to rent, and with price inflation.

Other Ground Transportation

MAA derives revenues from transportation network companies, taxicabs, and other commercial ground transportation services, mostly assessed as per trip charges. Effective July 2017, MAA began collecting a fee of $2.50 per pick-up and $2.50 per drop-off from the two TNCs operating at the Airport (Lyft and Uber).

In FY 2019, commercial ground transportation revenues totaled $6.4 million, equivalent to $0.65 per originating passenger. Of the total, 74.5% was paid by TNCs, 23.4% by taxicabs, and 2.1% by other services. In FY 2020, with reduced passenger traffic, commercial ground transportation revenues totaled $5.0 million, equivalent to $0.68 per originating passenger. Of the total, 79.0% was paid by TNCs, 19.7% by taxicabs, and 1.3% by other services.

Airport pick-ups by TNCs have increased rapidly since reporting began in July 2017, averaging 3,020 outbound trips per day in July-December 2019, a 67% increase from the average of 1,810 trips per day in July-December 2017. The increased use of TNCs for airport access has most obviously been at the expense of taxicabs – taxicab trips in July-December 2019 averaged 580 per day, a decrease from 710 trips per day in July-December 2017 – but has also contributed to decreased use of parking and rental cars.

Commercial ground transportation revenues were projected to change with projected numbers of originating passengers, assuming some further increase in the share of trips accounted for by TNCs, but with no increase in per trip fees.

OTHER OPERATING REVENUES

Non-Passenger Concessions

MAA derives revenues from non-passenger concessions such as aircraft ground handling services, general aviation fueling and other services, and advertising at the passenger terminal. Such revenues totaled $4.9 million in FY 2019 and were generally projected to increase with inflation, with the exception of fees for aircraft ground handling services, which are projected to be reduced as airlines operating for Amazon Air (chiefly Atlas Air and ABX Air) are now self-handled by Amazon rather than concessionaires.

Land and Building Rentals

MAA derives land and building rentals from air cargo buildings, rental car facilities, a general aviation terminal, a fuel farm, and various warehouses and other buildings. Such revenues totaled $5.9 million in FY 2019 and were projected to increase in accordance with the escalation provisions of the various leases and agreements.

Other Revenues

Miscellaneous revenues, derived primarily from expense reimbursements and employee and tenant parking fees, totaled $6.7 million in FY 2019. Such revenues were projected generally to increase with inflation. In historical years, other revenues have included reimbursements from PFC revenues for certain capital expenditures made with TTF funds. Such reimbursements from PFC revenues are not included in the projected amounts.

Martin State Airport

Revenues from fixed base operations (FBO) at Martin State Airport are derived primarily from the fueling of general aviation and Maryland State Police aircraft. Non-FBO revenues are derived from general aviation hangars and tie-down spaces and corporate hangars. Martin State revenues in FY 2019 totaled $10.3 million, approximately 4% of the Operating Revenues of the Airport System, and were projected generally to increase with inflation.

INVESTMENT INCOME

Under the Trust Agreement, investment earnings on balances in the Debt Service Reserve Funds and Bond Funds are defined as Investment Income and are included in Pledged Revenues.

Investment Income, as shown in Exhibit F, was projected assuming an interest rate of 2.0% on the projected balances in the Debt Service Reserve Funds.

APPLICATION OF PLEDGED REVENUES

Exhibit F presents the projected application of Pledged Revenues under the provisions of the Trust Agreement. To provide context, the historical applications are shown as following the same priorities as the projections, although the historical flow of funds was different.

Under the Trust Agreement, Pledged Revenues are to be paid monthly to the Trustee for deposit into the Pledged Revenue Fund and applied or transferred into the funds established under the Trust Agreement in the following order of priority:

Bond Funds. Make monthly payments of interest, principal, and any sinking fund installments to meet all Bond Debt Service Requirements.

Debt Service Reserve Funds. Make any payments needed to remedy any deficiencies relative to the Debt Service Reserve Requirements of outstanding Bonds. (No such payments were projected to be required.)

Redemption Funds. Make any payments required for the redemption of Bonds. (No such payments were projected to be required.)

Pledged Revenues that are not needed to make the foregoing payments are to be paid into the TTF. Amounts on deposit in the TTF may be used for the following purposes upon the appropriation of such funds for such purposes by the State General Assembly.

Operating Expenses. Pay all Operating Expenses reasonably incurred to operate, maintain, and repair the Airport System.

Other Obligations. Pay the Debt Service Requirements indebtedness other than Bonds, including MAA Certificates of Participation and MDTA loans.

Transportation Trust Fund. Amounts remaining after the foregoing funding requirements have been met are to be retained in the TTF and be subject to appropriation by the State General Assembly. Funds in the TTF may be used for any lawful purpose, provided that certain funding obligations are met. TTF funding may be available for Airport System purposes, including funding operating needs and capital improvements.

DEBT SERVICE COVERAGE

Exhibit F presents the calculation of debt service coverage for Bonds. To provide context, the historical calculations are made as if the provisions of the Trust Agreement were in effect. In particular, gross parking revenues received by MAA is included in Operating Revenues, although the actual flow of funds was different, with parking revenues net of debt service on the 2012AB MDTA Parking Bonds included in Operating Revenues.

The coverage of Bond Debt Service Requirements by Net Pledged Revenues, after the payment of the Debt Service Requirements of Other Obligations, is projected to exceed the 125% requirement of the Rate Covenant in each year of the projection period.

FINANCIAL PROJECTIONS UNDER TRAFFIC RECOVERY SCENARIOS

Exhibit G-1 summarizes the projected financial results, as presented in Exhibits A through F and discussed in the preceding sections, under the "Moderate Recovery" passenger scenario presented in Table 20.

Exhibit G-2 summarizes projected financial results under the "Fast Recovery" (optimistic) passenger scenario.

Exhibit G-3 summarizes projected financial results under the "Slow Recovery" (pessimistic) passenger scenario.

For all three scenarios, the 2021 Project was assumed to be implemented to the same schedule and financed with the same sources of planned 2021-2022 Bond proceeds, resulting in the same projections of Bond Debt Service Requirements, as presented in Exhibit C. Projected Operating Expenses were also assumed to be the same for all three scenarios, as presented in Exhibit D. Airline occupancy of the terminal and terminal rental revenues were also assumed to be the same, as presented in Exhibit E-1.

Under the "Fast Recovery" scenario, in FY 2021 through FY 2024, revenues related to passenger numbers, such as terminal concession revenues, parking revenues, and rental car revenues, are projected to be higher. Conversely, under the "Slow Recovery" scenario, in FY 2021 through FY 2024, revenues related to passenger numbers are projected to be lower. Projected results for FY 2025 and FY 2026 are the same for all three scenarios.

Under all three scenarios, for all projected years, debt service coverage ratios are projected to exceed the 125% requirement of the Rate Covenant without the need for Extraordinary Coverage Payments under the Airline Agreement.

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Exhibit A

ENPLANED PASSENGERS AND LANDED WEIGHT
Baltimore/Washington International Thurgood Marshall Airport
Maryland Aviation Administration
For Fiscal Years ending June 30

The projections presented in this table were prepared using the information and assumptions described in the accompanying text.
Inevitably, some of the assumptions will not be realized and unanticipated events and circumstances could occur.
Therefore, the actual results will vary from those projected, and the variations could be material.

Moderate Recovery Scenario	Historical (a)				Projected					
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Enplaned passengers										
Domestic	12,297,659	12,930,208	12,758,453	9,611,276	5,620,000	8,320,000	10,710,000	11,250,000	11,500,000	11,780,000
International	578,295	603,825	657,153	423,028	140,000	300,000	450,000	480,000	500,000	520,000
Total	12,875,954	13,534,033	13,415,606	10,034,304	5,760,000	8,620,000	11,160,000	11,730,000	12,000,000	12,300,000
Annual percent change	4.4%	5.1%	-0.9%	-25.2%	-42.6%	49.7%	29.5%	5.1%	2.3%	2.5%
Percent international	4.5%	4.5%	4.9%	4.2%	2.4%	3.5%	4.0%	4.1%	4.2%	4.2%
Southwest	8,936,966	9,150,085	8,779,650	6,631,229	3,800,000	5,690,000	7,370,000	7,740,000	7,920,000	8,120,000
Percent Southwest	69.4%	67.6%	65.4%	66.1%	66.0%	66.0%	66.0%	66.0%	66.0%	66.0%
Enplaned passengers										
Originating	9,123,052	9,743,824	9,946,435	7,312,016	4,200,000	6,290,000	8,150,000	8,560,000	8,760,000	8,980,000
Connecting	3,752,902	3,790,209	3,469,171	2,722,288	1,560,000	2,330,000	3,010,000	3,170,000	3,240,000	3,320,000
Total	12,875,954	13,534,033	13,415,606	10,034,304	5,760,000	8,620,000	11,160,000	11,730,000	12,000,000	12,300,000
Percent originating	70.9%	72.0%	74.1%	72.9%	72.9%	73.0%	73.0%	73.0%	73.0%	73.0%
Landed weight										
Passenger airlines	13,600,530	14,805,955	14,590,383	12,361,422	9,128,000	9,910,000	12,390,000	12,900,000	13,200,000	13,530,000
All-cargo airlines	1,182,655	1,287,474	1,277,809	1,522,560	1,787,000	1,880,000	1,970,000	2,070,000	2,170,000	2,280,000
Total	14,783,185	16,093,429	15,868,192	13,883,982	10,915,000	11,790,000	14,360,000	14,970,000	15,370,000	15,810,000
Percent passenger	92.0%	92.0%	91.9%	89.0%	83.6%	84.1%	86.3%	86.2%	85.9%	85.6%

Sources Historical: Maryland Aviation Administration records and U.S. DOT, Air Passenger Origin-Destination Survey, reconciled to Schedule T100.
Projected: LeighFisher, October 2020.

Exhibit B

SOURCES AND USES OF BOND FUNDS
Maryland Department of Transportation
Maryland Aviation Administration

	2021A Refunding Bonds			Planned 2021-2022 Bonds			
	2021A-1 (a)	2021A-2 (b)	Subtotal	2021B Bonds	2022 Bonds	Subtotal	Total
Sources of Bond Funds							
Bond proceeds							
Principal amount of Bonds	$ 86,555,000	$ 125,305,000	$ 211,860,000	$304,720,000	$126,595,000	$ 431,315,000	$ 643,175,000
Original issue premium (discount)	-	-	-	66,169,052	21,381,407	87,550,459	87,550,459
Other sources	30,573,227	7,970,314	38,543,541	-	-	-	38,543,541
Net proceeds	$ 117,128,227	$ 133,275,314	$ 250,403,541	$ 370,889,052	$ 147,976,407	$ 518,865,459	$ 769,269,000
Investment earnings on Bond funds							
Construction Fund	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Capitalized Interest Account	-	-	-	-	-	-	-
Debt Service Reserve Fund	-	-	-	-	-	-	-
Subtotal investment earnings	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total sources of Bond funds	$ 117,128,227	$ 133,275,314	$ 250,403,541	$ 370,889,052	$ 147,976,407	$ 518,865,459	$ 769,269,000
Uses of Bond Funds							
Project costs	$ -	$ -	$ -	$ 300,000,000	$ 125,000,000	$ 425,000,000	$ 425,000,000
Refunding escrow deposit	107,951,858	119,991,850	$ 227,943,708				227,943,708
Capitalized Interest Account	-	-	-	48,247,333	13,714,458	61,961,792	61,961,792
Debt Service Reserve Fund Requirement			-				-
Debt Service Reserve Fund deposit	$ 8,655,500	$ 12,530,500	$ 21,186,000	$ 20,812,250	$ 8,499,750	$ 29,312,000	$ 50,498,000
Bond insurance premium	-	-	-	-	-	-	-
Subtotal	$ 8,655,500	$ 12,530,500	$ 21,186,000	$ 20,812,250	$ 8,499,750	$ 29,312,000	$ 50,498,000
Other issuance costs	520,869	752,964	1,273,833	1,829,469	762,199	2,591,667	3,865,500
Total uses of Bond funds	$ 117,128,227	$ 133,275,314	$ 250,403,541	$ 370,889,052	$ 147,976,407	$ 518,865,459	$ 769,269,000
Key financing assumptions							
Bond interest rate	2.48%	2.48%		3.48%	3.77%		
Issuance date (beginning of Fiscal Year)				2022	2023		
Capitalized interest period (years)	0.0	0.0		3.0	2.0		
Interest-only period thereafter (years)	2.0	2.0		0.0	0.0		
Principal amortization period (years)	8.0	8.0		27.0	28.0		

(a) Refunding of MDTA 2012AB Parking Revenue Bonds.
(b) Refunding of MEDCO 2012 Lease Revenue Bonds.
Source: PFM Financial Advisors LLC, December 11, 2020.

Exhibit C

DEBT SERVICE REQUIREMENTS

Maryland Aviation Administration

For Fiscal Years ending June 30

	Historical (a)				Projected					
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
MDTA Parking Revenue Bonds										
2012AB MDTA Bonds	$ 18,363,188	$ 18,161,982	$ 18,230,000	$ 18,166,000	$ 2,528,000	$ -	$ -	$ -	$ -	$ -
MEDCO Lease Revenue Bonds										
2012 MEDCO Bonds	$ 14,800,011	$ 14,786,904	$ 14,777,289	$ 14,775,280	$ 1,827,000	$ -	$ -	$ -	$ -	$ -
MDOT Revenue Bonds										
2021A-1 Refunding Bonds (2012AB MDTA)	-	-	-	-	869,000	1,920,000	12,035,000	12,035,000	12,033,000	12,032,000
2021A-2 Refunding Bonds (2012 MEDCO)	-	-	-	-	1,259,000	2,780,000	17,420,000	17,423,000	17,426,000	17,424,000
2021B Bonds (2021 Project) (b)	-	-	-	-	-	-	-	-	20,811,000	20,812,000
2022 Bonds (2021 Project) (b)	-	-	-	-	-	-	-	-	8,500,000	8,496,000
Total MDOT Revenue Bonds (c)	$ -	$ -	$ -	$ -	$ 2,128,000	$ 4,700,000	$ 29,455,000	$ 29,458,000	$ 58,770,000	$ 58,764,000
Total Revenue Bonds	$ 33,163,199	$ 32,948,886	$ 33,007,289	$ 32,941,280	$ 6,483,000	$ 4,700,000	$ 29,455,000	$ 29,458,000	$ 58,770,000	$ 58,764,000
MAA Certificates of Participation										
2004 COPs (buses)	$ 1,221,679	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2010 COPs (Concourse B)	1,671,794	1,666,594	1,683,094	1,690,844	1,700,000	1,694,000	1,692,000	1,712,000	1,722,000	-
2019 COPs (buses)	-	-	-	1,447,917	2,057,000	2,059,000	2,057,000	2,058,000	2,061,000	2,060,000
Total MAA Certificates of Participation	$ 2,893,473	$ 1,666,594	$ 1,683,094	$ 3,138,761	$ 3,757,000	$ 3,753,000	$ 3,749,000	$ 3,770,000	$ 3,783,000	$ 2,060,000
MDTA Loans										
2020 MDTA Loan (2019 PFC Project)	$ -	$ -	$ -	$ -	$ 858,000	$ 1,717,000	$ 1,717,000	$ 1,717,000	$ 1,717,000	$ 1,717,000
2021 MDTA Loan (maintenance base site)	-	-	-	-	-	-	-	2,595,000	5,190,000	5,190,000
Total MDTA Loans	$ -	$ -	$ -	$ -	$ 858,000	$ 1,717,000	$ 1,717,000	$ 4,312,000	$ 6,907,000	$ 6,907,000
Total Debt Service Requirements	$ 36,056,672	$ 34,615,480	$ 34,690,383	$ 36,080,041	$ 11,098,000	$ 10,170,000	$ 34,921,000	$ 37,540,000	$ 69,460,000	$ 67,731,000
Allocation by cost center										
Airfield	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Terminal	13,067,802	13,052,510	13,061,606	13,067,809	4,934,000	5,552,000	16,822,000	16,844,000	46,168,000	44,442,000
Landside	22,988,870	21,562,970	21,628,776	23,012,232	6,164,000	4,618,000	18,099,000	20,696,000	23,291,000	23,289,000
Martin State	-	-	-	-	-	-	-	-	-	-
Total	$36,056,672	$34,615,480	$34,690,382	$36,080,041	$11,098,000	$10,170,000	$34,921,000	$37,540,000	$69,459,000	$67,731,000
Airfield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Terminal	36.2%	37.7%	37.7%	36.2%	44.5%	54.6%	48.2%	44.9%	66.5%	65.6%
Landside	63.8%	62.3%	62.3%	63.8%	55.5%	45.4%	51.8%	55.1%	33.5%	34.4%
Martin State	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

(a) Source: Maryland Aviation Administration records.

(b) Net of capitalized interest funded from Bond proceeds.

(c) Source: PFM Financial Advisors LLC, December 11, 2020.

Exhibit D

OPERATING EXPENSES

Maryland Aviation Administration

For Fiscal Years ending June 30

This exhibit is based on information from the sources indicated and assumptions provided and adopted by MAA management, as described in the accompanying text. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those projected and the variations could be material.

	Historical (a)				Projected					
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Expenses by object										
Wages and salaries	$ 45,072,478	$ 44,463,064	$ 46,339,059	$ 47,610,309	$ 45,296,000	$ 46,965,000	$ 48,374,000	$ 49,825,000	$ 52,031,000	$ 54,128,000
Contractual services	85,332,822	90,465,814	97,376,188	96,430,875	98,694,000	106,901,000	110,108,000	113,411,000	118,432,000	123,205,000
Fuel and utilities	13,257,563	13,430,981	13,776,133	11,862,858	13,220,000	13,707,000	14,118,000	14,542,000	15,186,000	15,798,000
Land and structures	9,848,016	10,884,497	11,435,622	7,696,461	7,830,000	8,119,000	8,362,000	8,613,000	8,995,000	9,357,000
Supplies and materials	7,144,994	9,335,401	8,937,098	6,810,364	6,376,000	6,611,000	6,809,000	7,013,000	7,324,000	7,619,000
Vehicle operations	2,404,384	2,995,995	3,421,323	2,390,480	2,471,000	2,562,000	2,639,000	2,718,000	2,839,000	2,953,000
Other	6,566,118	7,597,436	7,327,359	6,682,108	7,027,000	7,286,000	7,505,000	7,730,000	8,072,000	8,397,000
Total expenses by object	$ 169,626,375	$ 179,173,188	$ 188,612,782	$ 179,483,455	$ 180,914,000	$ 192,151,000	$ 197,915,000	$ 203,852,000	$ 212,879,000	$ 221,457,000
Annual change	-2.6%	5.6%	5.3%	-4.8%	0.8%	6.2%	3.0%	3.0%	4.4%	4.0%
Expenses by cost center										
Airfield	$ 40,048,090	$ 43,733,579	$ 45,693,199	$ 41,737,890	$ 40,782,000	$ 41,424,000	$ 42,666,000	$ 43,946,000	$ 48,555,000	$ 50,512,000
Terminal	84,188,610	86,695,516	92,131,558	92,943,007	96,629,000	98,220,000	101,166,000	104,201,000	115,970,000	120,643,000
Landside	37,407,391	39,713,641	41,205,789	37,077,883	36,141,000	44,676,000	46,017,000	47,397,000	40,127,000	41,744,000
Martin State	7,982,284	9,030,451	9,582,235	7,724,675	7,362,000	7,831,000	8,066,000	8,308,000	8,226,000	8,558,000
Total	$169,626,375	$179,173,187	$188,612,781	$179,483,455	$180,914,000	$192,151,000	$197,915,000	$203,852,000	$212,878,000	$221,457,000
Airfield	23.6%	24.4%	24.2%	23.3%	22.5%	21.6%	21.6%	21.6%	22.8%	22.8%
Terminal	49.6%	48.4%	48.8%	51.8%	53.4%	51.1%	51.1%	51.1%	54.5%	54.5%
Landside	22.1%	22.2%	21.8%	20.7%	20.0%	23.3%	23.3%	23.3%	18.8%	18.8%
Martin State	4.7%	5.0%	5.1%	4.3%	4.1%	4.1%	4.1%	4.1%	3.9%	3.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

(a) Source: Maryland Aviation Administration annual financial reports.

Exhibit E

OPERATING REVENUES

Maryland Aviation Administration

For Fiscal Years ending June 30

This exhibit is based on information from the sources indicated and assumptions provided and adopted by MAA management, as described in the accompanying text. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those projected and the variations could be material.

	Historical (a)				Projected					
Moderate Recovery Scenario	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Airline revenues										
Flight activities	$ 66,055,412	$ 71,710,348	$ 68,153,431	$ 63,803,472	$ 52,501,000	$ 68,676,000	$ 62,266,000	$ 62,120,000	$ 65,572,000	$ 65,763,000
Airline space rentals	38,469,604	40,670,036	42,351,582	48,760,782	47,126,000	43,582,000	46,751,000	46,750,000	66,245,000	66,280,000
Other terminal use fees	24,812,933	26,230,521	26,303,310	23,125,684	21,088,000	24,613,000	25,800,000	25,911,000	31,596,000	31,882,000
Total airline revenues	$ 129,337,949	$ 138,610,905	$ 136,808,323	$ 135,689,938	$ 120,715,000	$ 136,871,000	$ 134,817,000	$ 134,781,000	$ 163,413,000	$ 163,925,000
Annual percent change	2.6%	7.2%	-1.3%	-0.8%	-11.0%	13.4%	-1.5%	0.0%	21.2%	0.3%
Nonairline revenues										
Terminal concessions										
Food and beverage	$ 10,186,964	$ 11,427,072	$ 11,988,674	$ 9,595,548	$ 4,799,000	$ 7,846,000	$ 10,932,000	$ 11,778,000	$ 12,968,000	$ 13,624,000
Retail	5,988,762	6,556,352	6,397,336	5,078,041	2,437,000	3,984,000	5,551,000	5,980,000	6,584,000	6,918,000
Passenger services	1,794,553	2,517,573	2,890,560	2,688,831	1,582,000	2,427,000	3,220,000	3,470,000	3,638,000	3,822,000
Subtotal terminal concession revenues	$ 17,970,279	$ 20,500,997	$ 21,276,570	$ 17,362,420	$ 8,818,000	$ 14,257,000	$ 19,703,000	$ 21,228,000	$ 23,190,000	$ 24,364,000
Annual percent change	10.0%	14.1%	3.8%	-18.4%	-49.2%	61.7%	38.2%	7.7%	9.2%	5.1%
Enplaned passengers	12,875,954	13,534,033	13,415,606	10,034,304	5,760,000	8,620,000	11,160,000	11,730,000	12,000,000	12,300,000
Per enplaned passenger	$1.40	$1.51	$1.59	$1.73	$1.53	$1.65	$1.77	$1.81	$1.93	$1.98
Parking and ground transportation										
Public parking	$ 63,775,680	$ 62,600,641	$ 66,071,276	$ 47,988,747	$ 19,530,000	$ 38,348,000	$ 55,899,000	$ 61,973,000	$ 63,421,000	$ 65,013,000
Rental cars	17,039,745	17,721,919	17,771,408	14,021,165	8,007,000	12,046,000	15,838,000	17,051,000	17,886,000	18,793,000
Other ground transportation	2,717,086	5,606,295	6,428,963	4,995,431	3,019,000	4,700,000	6,245,000	6,723,000	7,052,000	7,410,000
Subtotal parking and ground transportation	$ 83,532,511	$ 85,928,855	$ 90,271,647	$ 67,005,343	$ 30,556,000	$ 55,094,000	$ 77,982,000	$ 85,747,000	$ 88,359,000	$ 91,216,000
Annual percent change	0.9%	2.9%	5.1%	-25.8%	-54.4%	80.3%	41.5%	10.0%	3.0%	3.2%
Originating passengers	9,123,052	9,743,824	9,946,435	7,312,016	4,200,000	6,290,000	8,150,000	8,560,000	8,760,000	8,980,000
Per originating passenger	$9.16	$8.82	$9.08	$9.16	$7.28	$8.76	$9.57	$10.02	$10.09	$10.16
Other revenues										
Non-passenger concessions	$ 3,685,718	$ 4,479,359	$ 4,942,360	$ 4,682,835	$ 2,400,000	$ 2,958,000	$ 3,518,000	$ 3,834,000	$ 4,013,000	$ 4,185,000
Cargo facility rentals	2,542,744	2,675,353	2,794,817	4,022,927	4,241,000	4,326,000	4,417,000	4,492,000	6,349,000	6,758,000
Rental car facility rentals	1,856,052	1,856,629	1,882,036	1,956,666	1,941,000	1,941,000	1,951,000	1,959,000	1,969,000	1,980,000
Other facility rentals	1,105,687	1,094,734	1,224,700	1,334,889	1,348,000	1,369,000	1,392,000	3,511,000	3,537,000	3,564,000
Other revenues	12,359,257	10,334,131	6,671,750	9,938,817	5,096,000	3,768,000	3,850,000	3,918,000	4,003,000	4,094,000
Martin State FBO	5,349,871	5,947,882	6,386,661	5,199,429	5,060,000	5,261,000	5,263,000	5,264,000	5,265,000	5,267,000
Martin State non-FBO	3,871,644	3,947,183	3,895,571	4,054,402	4,089,000	4,380,000	4,482,000	4,573,000	4,683,000	4,799,000
Subtotal other revenues	$ 30,770,973	$ 30,335,271	$ 27,797,895	$ 31,189,965	$ 24,175,000	$ 24,003,000	$ 24,873,000	$ 27,551,000	$ 29,819,000	$ 30,647,000
Annual percent change	11.6%	-1.4%	-8.4%	12.2%	-22.5%	-0.7%	3.6%	10.8%	8.2%	2.8%
Total nonairline revenues	$ 132,273,763	$ 136,765,123	$ 139,346,112	$ 115,557,728	$ 63,549,000	$ 93,354,000	$ 122,558,000	$ 134,526,000	$ 141,368,000	$ 146,227,000
Total Operating Revenues	$ 261,611,712	$ 275,376,028	$ 276,154,435	$ 251,247,666	$ 184,264,000	$ 230,225,000	$ 257,375,000	$ 269,307,000	$ 304,781,000	$ 310,152,000
Annual percent change	3.5%	5.3%	0.3%	-9.0%	-26.7%	24.9%	11.8%	4.6%	13.2%	1.8%

(a) Source: Maryland Aviation Administration annual financial reports.

Exhibit E-1

AIRLINE REVENUES AND PAYMENTS PER PASSENGER

Maryland Aviation Administration

For Fiscal Years ending June 30

This exhibit is based on information from the sources indicated and assumptions provided and adopted by MAA management, as described in the accompanying text. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those projected and the variations could be material.

	Historical (a)				Projected					
Moderate Recovery Scenario	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Flight activity revenues										
Landing fees	$ 62,488,670	$ 67,169,586	$ 63,248,653	$ 59,411,774	$ 48,026,000	$ 64,110,000	$ 57,610,000	$ 57,371,000	$ 60,727,000	$ 60,822,000
Aircraft parking fees	1,973,570	3,010,339	3,493,625	3,250,242	3,315,000	3,382,000	3,449,000	3,518,000	3,589,000	3,660,000
Fuel flowage fees	1,593,172	1,530,423	1,411,153	1,141,456	1,160,000	1,184,000	1,207,000	1,231,000	1,256,000	1,281,000
Flight activity revenues	$ 66,055,412	$ 71,710,348	$ 68,153,431	$ 63,803,472	$ 52,501,000	$ 68,676,000	$ 62,266,000	$ 62,120,000	$ 65,572,000	$ 65,763,000
Landed weight	14,783,185	16,093,429	15,868,192	13,883,982	10,915,000	11,790,000	14,360,000	14,970,000	15,370,000	15,810,000
Average landing fee rate (per 1,000 lbs)	$4.23	$4.17	$3.99	$4.28	$4.40	$5.44	$4.01	$3.83	$3.95	$3.85
Passenger terminal revenues										
Airline space rentals	$ 38,469,604	$ 40,670,036	$ 42,351,582	$ 48,760,782	$ 47,126,000	$ 43,582,000	$ 46,751,000	$ 46,750,000	$ 66,245,000	$ 66,280,000
International arrivals fees	2,422,457	3,134,472	3,421,891	1,849,918	1,905,000	1,963,000	2,021,000	2,102,000	2,165,000	2,230,000
Baggage claim fees	11,544,073	12,032,890	12,493,339	10,639,633	8,769,000	12,457,000	13,218,000	13,217,000	17,255,000	17,264,000
Holdroom fees	1,665,739	1,744,095	1,447,731	1,952,901	2,011,000	2,072,000	2,134,000	2,198,000	2,264,000	2,332,000
Loading bridge fees	3,730,050	3,805,697	3,336,463	3,017,828	2,516,000	2,707,000	2,664,000	2,600,000	2,649,000	2,755,000
Other terminal use fees	1,304,372	1,100,901	1,128,100	971,507	1,001,000	1,031,000	1,062,000	1,093,000	1,126,000	1,160,000
Nonairline space rentals	4,146,242	4,412,465	4,475,786	4,693,897	4,886,000	4,383,000	4,701,000	4,701,000	6,137,000	6,141,000
Passenger terminal revenues	$ 63,282,537	$ 66,900,556	$ 68,654,892	$ 71,886,466	$ 68,214,000	$ 68,195,000	$ 72,551,000	$ 72,661,000	$ 97,841,000	$ 98,162,000
Airline payments per passenger										
Total airline payments	$ 129,337,949	$ 138,610,904	$ 136,808,323	$ 135,689,938	$ 120,715,000	$ 136,871,000	$ 134,817,000	$ 134,781,000	$ 163,413,000	$ 163,925,000
Less: All-cargo airline landing fees	(4,999,094)	(5,373,567)	(5,093,189)	(6,515,277)	(7,862,800)	(10,222,827)	(7,903,360)	(7,933,097)	(8,573,621)	(8,771,359)
Less: Other all-cargo and general aviation	(2,699,844)	(4,118,144)	(2,696,807)	(2,333,787)	(2,380,462)	(2,428,072)	(2,476,633)	(2,526,166)	(2,576,689)	(2,628,223)
Less: Nonairline terminal space rentals	(4,146,242)	(4,412,465)	(4,475,786)	(4,693,897)	(4,886,000)	(4,383,000)	(4,701,000)	(4,701,000)	(6,137,000)	(6,141,000)
Net passenger airline payments	$ 117,492,769	$ 124,706,728	$ 124,542,541	$ 122,146,977	$ 105,585,738	$ 119,837,102	$ 119,736,007	$ 119,620,737	$ 146,125,690	$ 146,384,418
Enplaned passengers	12,875,954	13,534,033	13,415,606	10,034,304	5,760,000	8,620,000	11,160,000	11,730,000	12,000,000	12,300,000
Average airline payments per passenger	$9.12	$9.21	$9.28	$12.17	$18.33	$13.90	$10.73	$10.20	$12.18	$11.90

(a) Source: Maryland Aviation Administration annual financial reports.

Exhibit F

APPLICATION OF PLEDGED REVENUES AND DEBT SERVICE COVERAGE

Maryland Aviation Administration

For Fiscal Years ending June 30

This exhibit is based on information from the sources indicated and assumptions provided and adopted by MAA management, as described in the accompanying text. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those projected and the variations could be material.

		Historical				Projected					
Moderate Recovery Scenario		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Calculation of Pledged Revenues											
Airline revenues		$ 129,337,949	$ 138,610,905	$ 136,808,323	$ 135,689,938	$ 120,715,000	$ 136,871,000	$ 134,817,000	$ 134,781,000	$ 163,413,000	$ 163,925,000
Nonairline revenues		132,273,763	136,765,123	139,346,112	115,557,728	63,549,000	93,354,000	122,558,000	134,526,000	141,368,000	146,227,000
Revenue deferral		-	-	-	(13,227,258)	13,227,258	-	-	-	-	-
Subtotal Operating Revenues (a)		$ 261,611,712	$ 275,376,028	$ 276,154,435	$ 238,020,408	$ 197,491,258	$ 230,225,000	$ 257,375,000	$ 269,307,000	$ 304,781,000	$ 310,152,000
Plus: Investment Earnings (b)		-	-	-	-	141,000	840,000	1,010,000	1,010,000	1,010,000	1,010,000
Pledged Revenues	[A]	$ 261,611,712	$ 275,376,028	$ 276,154,435	$ 238,020,408	$ 197,632,258	$ 231,065,000	$ 258,385,000	$ 270,317,000	$ 305,791,000	$ 311,162,000
Calculation of Operating Expenses											
Operating Expenses before grants (c)		$ 169,626,375	$ 179,173,188	$ 188,612,782	$ 179,483,455	$ 180,914,000	$ 192,151,000	$ 197,915,000	$ 203,852,000	$ 212,879,000	$ 221,457,000
Less: CARES and other operating grants		-	-	-	(63,231,179)	-	-	-	-	-	-
Operating Expenses	[B]	$ 169,626,375	$ 179,173,188	$ 188,612,782	$ 116,252,276	$ 180,914,000	$ 192,151,000	$ 197,915,000	$ 203,852,000	$ 212,879,000	$ 221,457,000
Calculation of Bond Debt Service Requirements											
Bond Debt Service before grants (d)		$ 33,163,199	$ 32,948,886	$ 33,007,289	$ 32,941,280	$ 6,483,000	$ 4,700,000	$ 29,455,000	$ 29,458,000	$ 58,770,000	$ 58,764,000
Less: CARES debt service grants		-	-	-	(11,756,095)	-	-	-	-	-	-
Bond Debt Service Requirements	[C]	$ 33,163,199	$ 32,948,886	$ 33,007,289	$ 21,185,185	$ 6,483,000	$ 4,700,000	$ 29,455,000	$ 29,458,000	$ 58,770,000	$ 58,764,000
Priority for Application of Pledged Revenues											
Bond Debt Service Requirements	[C]	$ 33,163,199	$ 32,948,886	$ 33,007,289	$ 21,185,185	$ 6,483,000	$ 4,700,000	$ 29,455,000	$ 29,458,000	$ 58,770,000	$ 58,764,000
Debt Service Reserve Funds		-	-	-	-	-	-	-	-	-	-
Operating Expenses	[B]	169,626,375	179,173,188	188,612,782	116,252,276	180,914,000	192,151,000	197,915,000	203,852,000	212,879,000	221,457,000
Other Obligations (e)	[D]	2,893,473	1,666,594	1,683,094	592,819	4,615,000	5,470,000	5,466,000	8,082,000	10,690,000	8,967,000
Transportation Trust Fund		55,928,665	61,587,360	52,851,270	99,990,128	5,620,258	28,744,000	25,549,000	28,925,000	23,452,000	21,974,000
Pledged Revenues	[A]	$ 261,611,712	$ 275,376,028	$ 276,154,435	$ 238,020,408	$ 197,632,258	$ 231,065,000	$ 258,385,000	$ 270,317,000	$ 305,791,000	$ 311,162,000
Calculation of Debt Service Coverage											
Pledged Revenues	[A]	$ 261,611,712	$ 275,376,028	$ 276,154,435	$ 238,020,408	$ 197,632,258	$ 231,065,000	$ 258,385,000	$ 270,317,000	$ 305,791,000	$ 311,162,000
Less: Operating Expenses	[B]	(169,626,375)	(179,173,188)	(188,612,782)	(116,252,276)	(180,914,000)	(192,151,000)	(197,915,000)	(203,852,000)	(212,879,000)	(221,457,000)
Net Pledged Revenues	[E]	$ 91,985,337	$ 96,202,840	$ 87,541,653	$ 121,768,132	$ 16,718,258	$ 38,914,000	$ 60,470,000	$ 66,465,000	$ 92,912,000	$ 89,705,000
Less: Other Obligations (e)	[D]	(2,893,473)	(1,666,594)	(1,683,094)	(592,819)	(4,615,000)	(5,470,000)	(5,466,000)	(8,082,000)	(10,690,000)	(8,967,000)
Net Pledged Revenues after Other Obligations	[F]	$ 89,091,864	$ 94,536,246	$ 85,858,559	$ 121,175,313	$ 12,103,258	$ 33,444,000	$ 55,004,000	$ 58,383,000	$ 82,222,000	$ 80,738,000
Bond Debt Service Requirements	[C]	33,163,199	32,948,886	33,007,289	21,185,185	6,483,000	4,700,000	29,455,000	29,458,000	58,770,000	58,764,000
Debt service coverage	[F/C]	**268.6%**	**286.9%**	**260.1%**	**572.0%**	**186.7%**	**711.6%**	**186.7%**	**198.2%**	**139.9%**	**137.4%**
Rate Covenant requirement						125.0%	125.0%	125.0%	125.0%	125.0%	125.0%

(a) See Exhibit E.

(b) Investment income on Debt Service Reserve Funds for MDOT Revenue Bonds.

(c) See Exhibit D.

(d) See Exhibit C.

(e) Debt Service Requirements of MAA Certificates of Participation and MDTA loans. See Exhibit C. Amount for FY 2020 is net of CARES Act grant of $2.5 million.

Exhibit G-1

SUMMARY OF PROJECTED FINANCIAL RESULTS: MODERATE PASSENGER RECOVERY

Maryland Aviation Administration

For Fiscal Years ending June 30

This exhibit is based on information from the sources indicated and assumptions provided and adopted by MAA management, as described in the accompanying text. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those projected and the variations could be material.

		Historical (a)				Projected					
Moderate Recovery Scenario		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Operating Revenues											
Flight activity fees		$ 66,055,412	$ 71,710,348	$ 68,153,431	$ 63,803,472	$ 52,501,000	$ 68,676,000	$ 62,266,000	$ 62,120,000	$ 65,572,000	$ 65,763,000
Terminal rentals and use fees		63,282,537	66,900,557	68,654,892	71,886,466	68,214,000	68,195,000	72,551,000	72,661,000	97,841,000	98,162,000
Terminal concession revenues		17,970,279	20,500,997	21,276,570	17,362,420	8,818,000	14,257,000	19,703,000	21,228,000	23,190,000	24,364,000
Parking and ground transportation revenues		83,532,511	85,928,855	90,271,647	67,005,343	30,556,000	55,094,000	77,982,000	85,747,000	88,359,000	91,216,000
Other operating revenues		30,770,973	30,335,271	27,797,895	31,189,965	24,175,000	24,003,000	24,873,000	27,551,000	29,819,000	30,647,000
Revenue deferral		-	-	-	(13,227,258)	13,227,258	-	-	-	-	-
Total Operating Revenues		$ 261,611,712	$ 275,376,028	$ 276,154,435	$ 238,020,408	$ 197,491,258	$ 230,225,000	$ 257,375,000	$ 269,307,000	$ 304,781,000	$ 310,152,000
Enplaned passengers		12,875,954	13,534,033	13,415,606	10,034,304	5,760,000	8,620,000	11,160,000	11,730,000	12,000,000	12,300,000
Annual percent change		4.4%	5.1%	-0.9%	-25.2%	-42.6%	49.7%	29.5%	5.1%	2.3%	2.5%
Airline payments per enplaned passenger		$9.12	$9.21	$9.28	$12.17	$18.33	$13.90	$10.73	$10.20	$12.18	$11.90
Investment Earnings		$ -	$ -	$ -	$ -	$ 141,000	$ 840,000	$ 1,010,000	$ 1,010,000	$ 1,010,000	$ 1,010,000
Pledged Revenues		$ 261,611,712	$ 275,376,028	$ 276,154,435	$ 238,020,408	$ 197,632,258	$ 231,065,000	$ 258,385,000	$ 270,317,000	$ 305,791,000	$ 311,162,000
Application of Pledged Revenues											
Bond Debt Service Requirements		$ 33,163,199	$ 32,948,886	$ 33,007,289	$ 21,185,185	$ 6,483,000	$ 4,700,000	$ 29,455,000	$ 29,458,000	$ 58,770,000	$ 58,764,000
Operating Expenses		169,626,375	179,173,188	188,612,782	116,252,276	180,914,000	192,151,000	197,915,000	203,852,000	212,879,000	221,457,000
Other Obligations		2,893,473	1,666,594	1,683,094	592,819	4,615,000	5,470,000	5,466,000	8,082,000	10,690,000	8,967,000
Transportation Trust Fund		55,928,665	61,587,360	52,851,270	99,990,128	5,620,258	28,744,000	25,549,000	28,925,000	23,452,000	21,974,000
Total application		$ 261,611,712	$ 275,376,028	$ 276,154,435	$ 238,020,408	$ 197,632,258	$ 231,065,000	$ 258,385,000	$ 270,317,000	$ 305,791,000	$ 311,162,000
Debt Service Coverage											
Pledged Revenues	[A]	$ 261,611,712	$ 275,376,028	$ 276,154,435	$ 238,020,408	$ 197,632,258	$ 231,065,000	$ 258,385,000	$ 270,317,000	$ 305,791,000	$ 311,162,000
Less: Operating Expenses	[B]	(169,626,375)	(179,173,188)	(188,612,782)	(116,252,276)	(180,914,000)	(192,151,000)	(197,915,000)	(203,852,000)	(212,879,000)	(221,457,000)
Less: Other Obligations	[C]	(2,893,473)	(1,666,594)	(1,683,094)	(592,819)	(4,615,000)	(5,470,000)	(5,466,000)	(8,082,000)	(10,690,000)	(8,967,000)
Net Pledged Revenues after Other Obligations	[D]	$ 89,091,864	$ 94,536,246	$ 85,858,559	$ 121,175,313	$ 12,103,258	$ 33,444,000	$ 55,004,000	$ 58,383,000	$ 82,222,000	$ 80,738,000
Bond Debt Service Requirements	[C]	33,163,199	32,948,886	33,007,289	21,185,185	6,483,000	4,700,000	29,455,000	29,458,000	58,770,000	58,764,000
Debt service coverage	[D/C]	**268.6%**	**286.9%**	**260.1%**	**572.0%**	**186.7%**	**711.6%**	**186.7%**	**198.2%**	**139.9%**	**137.4%**

Source: See preceding exhibits and accompanying text.

Exhibit G-2

SUMMARY OF PROJECTED FINANCIAL RESULTS: FAST PASSENGER RECOVERY

Maryland Aviation Administration

For Fiscal Years ending June 30

This exhibit is based on information from the sources indicated and assumptions provided and adopted by MAA management, as described in the accompanying text. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those projected and the variations could be material.

		Historical (a)				Projected					
Fast Recovery Scenario		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Operating Revenues											
Flight activity fees		$ 66,055,412	$ 71,710,348	$ 68,153,431	$ 63,803,472	$ 57,046,000	$ 68,676,000	$ 62,266,000	$ 62,120,000	$ 65,572,000	$ 65,763,000
Terminal rentals and use fees		63,282,537	66,900,557	68,654,892	71,886,466	68,214,000	68,195,000	72,551,000	72,661,000	97,841,000	98,162,000
Terminal concession revenues		17,970,279	20,500,997	21,276,570	17,362,420	9,936,000	17,994,000	20,551,000	21,390,000	23,190,000	24,364,000
Parking and ground transportation revenues		83,532,511	85,928,855	90,271,647	67,005,343	34,485,000	69,547,000	81,330,000	86,448,000	88,359,000	91,216,000
Other operating revenues		30,770,973	30,335,271	27,797,895	31,189,965	24,175,000	24,003,000	24,873,000	27,551,000	29,819,000	30,647,000
Revenue deferral		-	-	-	(13,227,258)	13,227,258	-	-	-	-	-
Total Operating Revenues		$ 261,611,712	$ 275,376,028	$ 276,154,435	$ 238,020,408	$ 207,083,258	$ 248,415,000	$ 261,571,000	$ 270,170,000	$ 304,781,000	$ 310,152,000
Enplaned passengers		12,875,954	13,534,033	13,415,606	10,034,304	6,490,000	10,880,000	11,640,000	11,820,000	12,000,000	12,300,000
Annual percent change		4.4%	5.1%	-0.9%	-25.2%	-35.3%	67.6%	7.0%	1.5%	1.5%	2.5%
Airline payments per enplaned passenger		$9.12	$9.21	$9.28	$12.17	$16.97	$11.18	$10.31	$10.12	$12.18	$11.90
Investment Earnings		$ -	$ -	$ -	$ -	$ 141,000	$ 840,000	$ 1,010,000	$ 1,010,000	$ 1,010,000	$ 1,010,000
Pledged Revenues		$ 261,611,712	$ 275,376,028	$ 276,154,435	$ 238,020,408	$ 207,224,258	$ 249,255,000	$ 262,581,000	$ 271,180,000	$ 305,791,000	$ 311,162,000
Application of Pledged Revenues											
Bond Debt Service Requirements		$ 33,163,199	$ 32,948,886	$ 33,007,289	$ 21,185,185	$ 6,483,000	$ 4,700,000	$ 29,455,000	$ 29,458,000	$ 58,770,000	$ 58,764,000
Operating Expenses		169,626,375	179,173,188	188,612,782	116,252,276	180,914,000	192,151,000	197,915,000	203,852,000	212,879,000	221,457,000
Other Obligations		2,893,473	1,666,594	1,683,094	592,819	4,615,000	5,470,000	5,466,000	8,082,000	10,690,000	8,967,000
Transportation Trust Fund		55,928,665	61,587,360	52,851,270	99,990,128	15,212,258	46,934,000	29,745,000	29,788,000	23,452,000	21,974,000
Total application		$ 261,611,712	$ 275,376,028	$ 276,154,435	$ 238,020,408	$ 207,224,258	$ 249,255,000	$ 262,581,000	$ 271,180,000	$ 305,791,000	$ 311,162,000
Debt Service Coverage											
Pledged Revenues	[A]	$ 261,611,712	$ 275,376,028	$ 276,154,435	$ 238,020,408	$ 207,224,258	$ 249,255,000	$ 262,581,000	$ 271,180,000	$ 305,791,000	$ 311,162,000
Less: Operating Expenses	[B]	(169,626,375)	(179,173,188)	(188,612,782)	(116,252,276)	(180,914,000)	(192,151,000)	(197,915,000)	(203,852,000)	(212,879,000)	(221,457,000)
Less: Other Obligations	[C]	(2,893,473)	(1,666,594)	(1,683,094)	(592,819)	(4,615,000)	(5,470,000)	(5,466,000)	(8,082,000)	(10,690,000)	(8,967,000)
Net Pledged Revenues after Other Obligations	[D]	$ 89,091,864	$ 94,536,246	$ 85,858,559	$ 121,175,313	$ 21,695,258	$ 51,634,000	$ 59,200,000	$ 59,246,000	$ 82,222,000	$ 80,738,000
Bond Debt Service Requirements	[C]	33,163,199	32,948,886	33,007,289	21,185,185	6,483,000	4,700,000	29,455,000	29,458,000	58,770,000	58,764,000
Debt service coverage	[D/C]	**268.6%**	**286.9%**	**260.1%**	**572.0%**	**334.6%**	**1098.6%**	**201.0%**	**201.1%**	**139.9%**	**137.4%**

Source: See preceding exhibits and accompanying text.

Exhibit G-3

SUMMARY OF PROJECTED FINANCIAL RESULTS: SLOW PASSENGER RECOVERY

Maryland Aviation Administration

For Fiscal Years ending June 30

This exhibit is based on information from the sources indicated and assumptions provided and adopted by MAA management, as described in the accompanying text. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those projected and the variations could be material.

		Historical (a)				Projected					
Slow Recovery Scenario		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Operating Revenues											
Flight activity fees		$ 66,055,412	$ 71,710,348	$ 68,153,431	$ 63,803,472	$ 50,754,000	$ 68,676,000	$ 62,266,000	$ 62,120,000	$ 65,572,000	$ 65,763,000
Terminal rentals and use fees		63,282,537	66,900,557	68,654,892	71,886,466	68,214,000	68,195,000	72,551,000	72,661,000	97,841,000	98,162,000
Terminal concession revenues		17,970,279	20,500,997	21,276,570	17,362,420	8,389,000	12,338,000	16,755,000	20,449,000	23,190,000	24,364,000
Parking and ground transportation revenues		83,532,511	85,928,855	90,271,647	67,005,343	29,101,000	47,737,000	66,308,000	82,641,000	88,359,000	91,216,000
Other operating revenues		30,770,973	30,335,271	27,797,895	31,189,965	24,175,000	24,003,000	24,873,000	27,551,000	29,819,000	30,647,000
Revenue deferral		-	-	-	(13,227,258)	13,227,258	-	-	-	-	-
Total Operating Revenues		$ 261,611,712	$ 275,376,028	$ 276,154,435	$ 238,020,408	$ 193,860,258	$ 220,949,000	$ 242,753,000	$ 265,422,000	$ 304,781,000	$ 310,152,000
Enplaned passengers		12,875,954	13,534,033	13,415,606	10,034,304	5,480,000	7,460,000	9,490,000	11,300,000	12,000,000	12,300,000
Annual percent change		4.4%	5.1%	-0.9%	-25.2%	-45.4%	36.1%	27.2%	19.1%	6.2%	2.5%
Airline payments per enplaned passenger		$9.12	$9.21	$9.28	$12.17	$18.95	$15.46	$12.28	$10.45	$12.14	$11.89
Investment Earnings		$ -	$ -	$ -	$ -	$ 141,000	$ 840,000	$ 1,010,000	$ 1,010,000	$ 1,010,000	$ 1,010,000
Pledged Revenues		$ 261,611,712	$ 275,376,028	$ 276,154,435	$ 238,020,408	$ 194,001,258	$ 221,789,000	$ 243,763,000	$ 266,432,000	$ 305,791,000	$ 311,162,000
Application of Pledged Revenues											
Bond Debt Service Requirements		$ 33,163,199	$ 32,948,886	$ 33,007,289	$ 21,185,185	$ 6,483,000	$ 4,700,000	$ 29,455,000	$ 29,458,000	$ 58,770,000	$ 58,764,000
Operating Expenses		169,626,375	179,173,188	188,612,782	116,252,276	180,914,000	192,151,000	197,915,000	203,852,000	212,879,000	221,457,000
Other Obligations		2,893,473	1,666,594	1,683,094	592,819	4,615,000	5,470,000	5,466,000	8,082,000	10,690,000	8,967,000
Transportation Trust Fund		55,928,665	61,587,360	52,851,270	99,990,128	1,989,258	19,468,000	10,927,000	25,040,000	23,452,000	21,974,000
Total application		$ 261,611,712	$ 275,376,028	$ 276,154,435	$ 238,020,408	$ 194,001,258	$ 221,789,000	$ 243,763,000	$ 266,432,000	$ 305,791,000	$ 311,162,000
Debt Service Coverage											
Pledged Revenues	[A]	$ 261,611,712	$ 275,376,028	$ 276,154,435	$ 238,020,408	$ 194,001,258	$ 221,789,000	$ 243,763,000	$ 266,432,000	$ 305,791,000	$ 311,162,000
Less: Operating Expenses	[B]	(169,626,375)	(179,173,188)	(188,612,782)	(116,252,276)	(180,914,000)	(192,151,000)	(197,915,000)	(203,852,000)	(212,879,000)	(221,457,000)
Less: Other Obligations	[C]	(2,893,473)	(1,666,594)	(1,683,094)	(592,819)	(4,615,000)	(5,470,000)	(5,466,000)	(8,082,000)	(10,690,000)	(8,967,000)
Net Pledged Revenues after Other Obligations	[D]	$ 89,091,864	$ 94,536,246	$ 85,858,559	$ 121,175,313	$ 8,472,258	$ 24,168,000	$ 40,382,000	$ 54,498,000	$ 82,222,000	$ 80,738,000
Bond Debt Service Requirements	[C]	33,163,199	32,948,886	33,007,289	21,185,185	6,483,000	4,700,000	29,455,000	29,458,000	58,770,000	58,764,000
Debt service coverage	[D/C]	**268.6%**	**286.9%**	**260.1%**	**572.0%**	**130.7%**	**514.2%**	**137.1%**	**185.0%**	**139.9%**	**137.4%**

Source: See preceding exhibits and accompanying text.

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APPENDIX E

DTC AND BOOK-ENTRY ONLY SYSTEM

The information in this section has been obtained from sources that the Department and the Underwriters believe to be reliable, but neither the Department nor the Underwriters takes any responsibility for the accuracy thereof.

The Depository Trust Company

The Depository Trust Company New York, New York ("DTC" or, together with any successor securities depository for the Series 2021A Bonds, the "Securities Depository"), will act as securities depository for the Series 2021A Bonds. The Series 2021A Bonds will be issued as fully-registered securities registered in the name of Cede & Co., DTC's partnership nominee, or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate of the Series 2021A Bonds will be issued for each maturity of the Series 2021A Bonds in principal amount equal to the aggregate principal amount of the Series 2021A Bonds of such maturity and will be deposited with DTC or its agent.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under New York Banking Law, a "banking organization" within the meaning of New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of United States and non-United States equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both United States and non-United States securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations.

DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others, such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). The DTC rules applicable to its Direct Participants and Indirect Participants are on file with the Securities and Exchange Commission (the "SEC"). More information about DTC can be found at www.dtcc.com and www.dtc.org.

Ownership of Series 2021A Bonds

Purchases of the Series 2021A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2021A Bond (the "Beneficial Owner") is in turn to be recorded on the Direct Participants and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchases. Beneficial Owners are, however, expected to receive written confirmations providing details of their transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owners entered into the transaction. Transfers of ownership interests in the Series 2021A Bonds are to be accomplished by entries made on the books of Direct Participants and Indirect Participants acting on behalf of the Beneficial Owners. *Beneficial Owners will not receive certificates representing their ownership interests in the Series 2021A Bonds except in the event that use of the book-entry only system for the Series 2021A Bonds is discontinued under the circumstances described below under "Discontinuance of Book-Entry Only System."*

To facilitate subsequent transfers, all Series 2021A Bonds deposited by Direct Participants and Indirect Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2021A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2021A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2021A Bonds are credited, which may or may not be the Beneficial Owners. The Direct Participants and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2021A Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2021A Bonds, such as redemptions, tenders, defaults and proposed amendments to the security documents. For example, Beneficial Owners of Series 2021A Bonds may wish to ascertain that the nominee holding the Series 2021A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of the notices be provided directly to them.

So long as a nominee of DTC is the registered owner of the Series 2021A Bonds, references herein to the Bondholders or the holders or owners of the Series 2021A Bonds shall mean DTC and shall not mean the Beneficial Owners of the Series 2021A Bonds. The Department and the Trustee will recognize DTC or its nominee as the holder of all of the Series 2021A Bonds for all purposes, including the payment of the principal or redemption price of and interest on, and the purchase price of, the Series 2021A 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 Bondholders under the Trust Agreement. Neither the Department nor the Trustee will have any responsibility or obligation to

Direct or Indirect Participants or Beneficial Owners with respect to payments or notices to Direct or Indirect Participants or Beneficial Owners.

Payments on and Redemption or Purchase of Series 2021A Bonds

So long as the Series 2021A Bonds are held by DTC under a book-entry system, principal and interest payments on the Series 2021A Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding information from the Trustee on the applicable payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participants and not of DTC, the Trustee or the Department, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Department or the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct Participants and Indirect Participants.

So long as the Series 2021A Bonds are held by DTC under a book-entry only system, the Trustee will send any notice of redemption or purchase with respect to the Series 2021A Bonds only to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. Any failure of DTC to advise any Direct Participant, or of any Direct Participant to notify any Indirect Participant or of any Direct or Indirect Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity of the proceedings for the redemption or purchase of the Series 2021A Bonds or of any other action premised on such notice. If fewer than all of the Series 2021A Bonds are selected for redemption or purchase, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed or purchased, except as otherwise directed by the Department.

None of the Department, the Trustee or the Underwriters can give any assurances that DTC or the Direct or Indirect Participants will distribute payments of the principal or redemption price of and interest on or the purchase price of, the Series 2021A Bonds paid to DTC or its nominee, as the registered owner of the Series 2021A Bonds, or any redemption, purchase or other notices, to the Beneficial Owners or that they will do so on a timely basis or that DTC will serve and act in the manner described in this Official Statement.

Discontinuance of Book-Entry Only System

DTC may discontinue its services as a securities depository for the Series 2021A Bonds at any time by giving reasonable notice to the Department and the Trustee, or the Department may discontinue use of the system of book-entry transfers through DTC. Under such circumstances, in the event that a successor Securities Depository is not obtained, Series 2021A Bonds are required to be printed and delivered in fully certificated form to the Direct Participants shown on the records of DTC provided to the Trustee or, to the extent requested by any Direct Participant, to the Beneficial Owners of the Series 2021A Bonds shown on the records of such Direct Participant provided to the Trustee.

Registration and Exchange of Series 2021A Bonds

So long as the Series 2021A Bonds are maintained under a book-entry system, transfers of ownership interests in the Series 2021A Bonds will be made as described above under "Book-Entry Only System." If the book-entry only system is discontinued, any Series 2021A Bond may be exchanged for an equal aggregate principal amount of Series 2021A Bonds of the same maturity and bearing interest at the same rate of authorized denominations, and the transfer of any Series 2021A Bond may be registered, upon presentation and surrender of such Series 2021A Bond at the designated office of the Trustee, together with an assignment duly executed by the registered owner or his attorney or legal representative. The Department 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 Department nor the Trustee shall be required to register the transfer of any Series 2021A Bond or make any such exchange of any Series 2021A Bond (1) during the 15 days preceding the date of mailing of any notice of redemption, or (2) after a notice of redemption of such Series 2021A Bond or any portion thereof has been mailed.

MARYLAND DEPARTMENT OF TRANSPORTATION

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