

STATE OF MARYLAND

OFFICE OF THE STATE TREASURER

**Louis L. Goldstein Treasury Building
80 Calvert Street, Room 109
Annapolis, Maryland 21401**

INVITATION FOR BIDS

FOR

ESCROW AGENT

For

AIRPORT NOISE COMPATIBILITY PROJECT FUND

On behalf of

THE FEDERAL AVIATION ADMINISTRATION (“FAA”), and

THE MARYLAND AVIATION ADMINISTRATION (“MAA”)

IFB #ESC-09252008

Due Date: October 8, 2008

Issued: September 25, 2008

**ESCROW AGENT
For
AIRPORT NOISE COMPATIBILITY PROJECT FUND**

Summary Statement

This Invitation for Bid (“IFB”) for a financial institution, as defined in Section 6-201 of the State Finance and Procurement Article of the Annotated Code of Maryland, to serve as Escrow Agent for an Airport Noise Compatibility Project Fund, to be established under an Escrow Agreement by and among the FAA, the MAA, and the selected financial institution.

Issuing Office and Procurement Officer

Maryland State Treasurer's Office
Louis L. Goldstein Treasury Building
80 Calvert Street, Room 109
Annapolis, MD 21401

Procurement Officer: Anne Jewell
Phone: (410)260-7903
E-mail: procurement@treasurer.state.md.us

The sole point of contract for purposes of this procurement is the Procurement Officer. The Procurement Officer may designate others to act of her behalf. The Office may change the Procurement Officer or the limits of her authority at its discretion.

Submission Deadline

To be considered, an original and 2 copies (total of 3) of the completed and signed “Proposal Form,” (Appendix A) must arrive at the Issuing Office by 2:00 p.m. EDT on Wednesday, October 8, 2008. Proposal Forms submitted by electronic means only (facsimile or e-mail) will not satisfy the submission deadline and will not be considered.

Acceptance of Terms and Conditions

By submitting a Proposal in response to this solicitation, the offeror accepts all of the terms and conditions. If selected for award, the offeror will execute an Escrow Agreement materially the same as Appendix B.

Contract Clauses

(1) Termination for Nonappropriation. "If funds are not appropriated or otherwise made available to support continuation in any fiscal year succeeding the first fiscal year, this Contract shall be terminated automatically as of the beginning of the fiscal year for which funds are not available. The Contractor may not recover anticipatory profits or costs incurred after termination."

(2) Maryland Law Prevails. "The law of Maryland shall govern the interpretation and enforcement of this Contract."

(3) Disputes. "Disputes arising under this Contract shall be governed by State Finance and Procurement Article, Title 15, Subtitle 2, Part III, Annotated Code of Maryland, and by COMAR 21.10. Pending resolution of a dispute, the Contractor shall continue to perform this Contract, as directed by the Procurement Officer."

(4) Changes. "This Contract may be amended only with the written consent of both parties. Amendments may not change significantly the scope of the Contract (including the Contract price)."

(5) Termination for Default. "If the Contractor does not fulfill obligations under this Contract or violates any provision of this Contract, the State may terminate the Contract by giving the Contractor written notice of termination. Termination under this paragraph does not relieve the Contractor from liability for any damages caused to the State. Termination hereunder, including the determination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.11B."

(6) Nondiscrimination. "The Contractor shall comply with the nondiscrimination provisions of federal and Maryland law."

(7) Anti-Bribery. "The Contractor certifies that, to the Contractor's best knowledge, neither the Contractor; nor (if the Contractor is a corporation or partnership) any of its officers, directors, or partners; nor any employee of the Contractor who is directly involved in obtaining contracts with the State or with any county, city, or other subdivision of the State, has been convicted of bribery, attempted bribery, or conspiracy to bribe under the laws of any state or of the United States."

(8) Termination for Convenience. "The State may terminate this Contract, in whole or in part, without showing cause upon prior written notice to the Contractor specifying the extent and the effective date of the termination. The State shall pay all reasonable costs associated with this Contract that the Contractor has incurred up to the date of termination and all reasonable costs associated with termination of the Contract. However, the Contractor may not be reimbursed for any anticipatory profits which have not been earned up to the date of termination. Termination hereunder, including the determination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.12A(2)."

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Escrow Account Requirements

Fund: Airport Noise Compatibility Project Fund

Source: Federal Share of proceeds from disposition of certain land acquired by the MAA under Grant Agreements between the FAA and the MAA

Deposits: By MAA, estimated two (2) to three (3) deposits per year

Amounts: Initial Deposit - \$300,000
Periodic Deposits - \$100,000 to \$900,000

Disbursements: At direction of FAA only, estimated two (2) to four (4) disbursements per year

Investments in Escrow at direction of FAA and MAA in:

- interest-bearing account, savings certificates, certificates of deposit
U.S. Treasury securities
- Obligations of U.S. Agencies guaranteed by U.S. Government
- Money Market Mutual Funds which invest only in U.S. Treasury and U.S. guaranteed Agency Obligations

Collateral Requirements:

102% of Escrow Account balance in excess of deposit insurance

Term of Escrow Agreement:

Five (5) years

Statements: Monthly to FAA and MAA

Basis for Award

The award will be made to the bidder who submitted a bid determined by the Office to represent the most favorable bid price. The Office will determine the most favorable bid price that is submitted on Appendix A, Proposal Form for Airport Noise Compatibility Project Fund.

APPENDIX A

PROPOSAL FORM

For

AIRPORT NOISE COMPATIBILITY PROJECT FUND

On behalf of

THE FEDERAL AVIATION ADMINISTRATION (“FAA”), and

THE MARYLAND AVIATION ADMINISTRATION (“MAA”)

To: Maryland State Treasurer’s Office
Attn: Anne Jewell, Procurement Officer

Date: _____

Based on the information in the Request for Proposals for an Escrow Agent for Airport Noise Compatibility Fund on behalf of the FAA and the MAA, and the draft Escrow Agreement, we are submitting this proposal to act as Escrow Agent, subject to all the stated terms and conditions, as follows:

Firm Name: _____

Address: _____

1. Annual Maintenance Fee: \$ _____

2. Transaction Fees: Transaction Type Fee

_____ \$ _____

_____ \$ _____

_____ \$ _____

_____ \$ _____

By: _____

(Authorized Representative)

Name: _____

Phone: _____

APPENDIX B

ESCROW AGREEMENT

This ESCROW AGREEMENT (the "Escrow Agreement") is made by and among

The UNITED STATES OF AMERICA, acting by and through the Federal Aviation Administration of the United States Department of Transportation (the "FAA");

The Maryland Aviation Administration (the "Sponsor"), owner and operator of Baltimore/Washington International Thurgood Marshall Airport (the "Airport");

and _____(the "Bank"), acting as Escrow Agent

by and through their duly authorized representatives (collectively, the "Parties").

RECITALS

WHEREAS, the Bank is a financial institution authorized to conduct business in the State of Maryland, and has agreed to accept appointment as Escrow Agent; and

WHEREAS, the Bank has consented to act as escrow depository, and to receive and hold certain funds (the "Federal Share", as defined below) to be deposited in escrow in an Escrow Account to be established under terms and conditions set forth in this Escrow Agreement (the "Escrow Account") and to make disbursements from the Escrow Account only in accordance with such terms and conditions; and

WHEREAS, Sponsor has executed the FAA Grant Agreement or Agreements identified in Schedule A, as appended, and as may be from time to time amended by agreement of the Parties; and

WHEREAS, Sponsor has received financial assistance for the benefit of Airport under the Airport Improvement Program pursuant to such Grant Agreement or Agreements for acquiring land for a noise compatibility purpose; and

WHEREAS, each such Grant Agreement contains the following assurance made by the Sponsor to the Secretary of Transportation (acting through the FAA), as required by section 47107(c)(2)(A) of title 49, United States Code

(A) if the land was or will be acquired for a noise compatibility purpose

- (i) the owner or operator will dispose of the land at fair market value at the earliest practicable time after the land no longer is needed for a noise compatibility purpose;

- (ii) the disposition will be subject to retaining or reserving an interest in the land necessary to ensure that the land will be used in a way that is compatible with noise levels associated with operating the airport; and
- (iii) the part of the proceeds from disposing of the land that is proportional to the Government's share of the cost of acquiring the land in this Escrow Agreement, the "Federal Share" will be ... as the Secretary prescribes, reinvested in an approved noise compatibility project, including the purchase of nonresidential buildings or property in the vicinity of residential buildings or property previously purchased by the airport as part of a noise compatibility program; and

WHEREAS, Sponsor has acquired certain land with the proceeds of such financial assistance for a noise compatibility purpose, as described in Schedule B, as appended, and as may be from time to time amended by agreement of the Parties; and

WHEREAS, Sponsor has disposed of such land in accordance with section 47107(c)(2(A) of title 49, United States Code, as shown in Schedule C, as appended, and as may be from time to time amended by agreement of the Parties; and

WHEREAS, the Secretary of Transportation, acting through the FAA, has decided, under section 47107(c)(2(A)(iii) of title 49, United States Code, that the Federal Share shall be reinvested in an approved noise compatibility project; and

WHEREAS, the Parties intend to execute this Escrow Agreement to the effect that the Federal Share shall be held in the Escrow Account pending such reinvestment in an approved noise compatibility project; and

WHEREAS, the Parties intend to execute this Agreement to the effect that the Federal Share shall be paid directly to the Bank as Escrow Agent for deposit in the Escrow Account upon closing the disposition of land described in Schedule B; and

WHEREAS, the Parties intend to execute this Agreement to the effect that funds shall be disbursed from the Escrow Account only at the direction of the FAA and only for expenditure in and for a noise compatibility program approved or to be approved by the FAA.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties, the Parties agree as follows:

1. ESCROW AGENT APPOINTMENT.

The Bank is hereby appointed as the Escrow Agent for the Federal Share and is designated the depository for the monies delivered by the Sponsor pursuant to the Grant Agreements identified on Schedule A. The Bank shall establish an "Airport Noise Compatibility Project Fund" (hereinafter referred to as the "Escrow Account") into which shall be deposited the funds delivered by Sponsor.

2. NOTICES AND DEPOSITS.

- 2.1. The Sponsor agrees to provide to the Parties complete, accurate, and current executed copies of Schedules B and C, by amending from time to time the appended Schedules B and C, respectively. The other Parties shall affirmatively accept or reject any such amendment.
- 2.2. In particular, the Sponsor agrees to provide to the Parties an accurate and complete Schedule C showing the sale date, location of sale, name of buyer, and amount of total proceeds for each parcel that is identified in schedule B and is to be sold, with correlation to the information on Schedule B, not later than five (5) days before the closing date of any such sale.
- 2.3. At the closing of the disposition of any real property identified in Schedule C, the Sponsor shall cause the Federal Share to be paid immediately and directly to the Escrow Agent for credit to the Escrow Account.

3. ESCROW ACCOUNT INVESTMENT.

- 3.1. The funds deposited to the FAA Escrow Account shall be held in an interest-bearing account, savings certificate, or certificate of deposit and shall earn interest at a rate as the Bank, the Sponsor and the FAA may mutually agree, provided that such interest-bearing accounts, savings certificates or certificates of deposit, if not insured by the Federal Deposit Insurance Corporation, are fully collateralized by obligations described in Section 6-202 of the State Finance and Procurement Article of the Annotated Code of Maryland. To the extent the Sponsor and the FAA authorize the Bank to invest the funds, such investment shall be only in direct obligations of the Government of the United States of America or in obligations of agencies or insurers that are guaranteed by the Government of the United State of America, or in money market mutual funds which invest in such Government obligations.
- 3.2. Interest earned by such investments shall be credited only to the Escrow Account. The proceeds of liquidating such investments shall be immediately credited to the Escrow Account. Investments shall be liquidated prior to maturity only when immediately required to fund a disbursement, or to fund a reinvestment at a greater yield.

4. ESCROW ACCOUNT DISBURSEMENTS.

The Escrow Agent shall retain the Escrow Account and shall make disbursements only in accordance with the following provisions:

- 4.1. The FAA, acting pursuant to the terms of the Grant Agreements, shall have the sole and unrestricted right to direct the disbursement of all or any part of the funds in the Escrow Account. A written instruction for disbursement shall be made to the Bank by the, or his designee, with a

copy provided to the Sponsor. Within ten (10) days of receipt of the instructions, or as otherwise directed by the FAA, the Bank shall pay to the Sponsor the amount requested to the extent such amount does not exceed the balance available in the Escrow Account. All payments shall be in the form of electronic funds transfers or by bank drafts payable to the Sponsor and mailed or otherwise delivered to the Sponsor as specified below in paragraph 9.

- 4.2. Upon receipt of signed certification by the FAA that no further demand for payment of money will be made, the Bank shall complete a final accounting and other obligations required under this Agreement, and pay over the balance remaining as directed by the FAA.

5. ESCROW AGENT'S COMPENSATION.

The Escrow Agent's compensation shall be, as follows:

Annual Maintenance: \$ _____/Year

Transaction Fees: \$ _____/Transaction

The Bank shall deduct monies from the Escrow Account to pay for its Escrow Agent services on a monthly basis.

6. ACCOUNT STATEMENTS.

Account statements shall be rendered by the Bank to the Sponsor and the FAA once monthly, and shall show deposits, disbursements, and balance, and the date thereof. Upon receipt by the Bank of the certification specified in paragraph 4.2 above, the Bank shall prepare a final accounting showing all transactions, except those previously reported, relating to the Escrow Account and provide said accounting to the Sponsor and the FAA at the addresses shown in paragraph 9.

7. TERM.

This Escrow Agreement shall take effect on the Effective Date defined in paragraph 9.9, below, and shall remain in effect until its termination is directed by FAA, or the conclusion of the period of five (5) years commencing on the Effective Date, whichever occurs first.

8. CONCERNING THE ESCROW AGENT.

- 8.1. It is understood and agreed that the Bank as Escrow Agent shall not be liable or responsible to ascertain the terms or conditions of any provision of the Grant Agreements between the Sponsor and the FAA. It is further understood and agreed that if any controversy arises between the FAA and the Sponsor, or with any other party with respect to the subject matter of this Agreement, the Bank is authorized, unless precluded by order of a

court competent jurisdiction, to disburse monies as directed by the FAA in accordance with the terms of this Agreement.

- 8.2. Nothing in this Agreement shall be considered as vesting title in the Bank to the amount deposited, except as Escrow Agent for the Sponsor and the Government for the purpose set forth herein. Title to said funds shall not vest in the Sponsor until payment to the Sponsor is made as provided herein.

9. MISCELLANEOUS.

- 9.1. Severability. If any one or more provisions of this Escrow Agreement shall, for any reason, be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Escrow Agreement, and this Escrow Agreement shall be construed as if it had never contained such invalid, illegal, or unenforceable provision.
- 9.2. Applicable law. This Escrow Agreement shall be governed by and construed under the laws of the State of Maryland.
- 9.3. Notice and Direction. Except as provided in paragraph 9.4, below, any of the Parties shall transmit any notice or direction under this Escrow Agreement to any other Party by certified mail, addressed as follows to:
 - (a) The FAA:
 - (b) The Sponsor:
 - (c) The Escrow Agent:
- 9.4. Facsimile. This Escrow Agreement, and any notices or directions as to disbursements under paragraph four (4) may be delivered to the Escrow Agent via facsimile transmission.
- 9.5. Amendment. This Escrow Agreement may be altered, modified, or amended on writing agreed to by all the Parties. In no event shall any Party have the power to amend this Escrow Agreement without the concurrence of all the other Parties.
- 9.6. Additional Acts and Documents. The Parties agree to execute whatever documents and to perform whatever acts may reasonably be required to fulfill the requirements or intents of this Escrow Agreement.
- 9.7. No Presumption Against Interest. This Escrow Agreement has been negotiated, drafted, edited, and reviewed by each of the Parties, and therefore no provision arising directly or indirectly from this Escrow Agreement shall be construed against any Party as having been drafted by that Party.

- 9.8. Counterparts. This Escrow Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed as original, but all of which together shall constitute one and the same instrument.
- 9.9. Effective date. This Escrow Agreement shall take effect on the date on which the Escrow Agent first receives a deposit to the Escrow Account.

IN WITNESS WHEREOF, the duly authorized representatives of the Sponsor, the FAA, and the Bank have executed this Agreement on the date first above written.

MARYLAND AVIATION ADMINISTRATION

ATTEST: _____

By: _____
 (Name): _____
 (Title): _____

THE FEDERAL AVIAITION ADMINISTRATION

ATTEST: _____

By: _____
 (Name): _____
 (Title): _____

_____ (The Bank)

ATTEST: _____

By: _____
 (Name): _____
 (Title): _____

Approved as to form and legal
 sufficiency for the State of Maryland

 Assistant Attorney General