

January 30, 2015



**Maryland
Transportation
Authority**

Lawrence J. Hogan, Jr.
Governor

Boyd K. Rutherford
Lt. Governor

Pete K. Rahn
Chairman Designate

Peter J. Basso
Rev. Dr. William C. Calhoun, Sr.
Katrina J. Dennis
Mary Beyer Halsey
William K. Hellmann
Arthur Hock
Michael J. Whitson

Bruce W. Gartner
Executive Director

2310 Broening Highway
Baltimore MD 21224
410-537-1000
410-537-1003 (fax)
711 (MD Relay)
1-866-713-1596

e-mail: mdta@mdta.maryland.gov

www.mdta.maryland.gov



The Honorable Thomas V. "Mike" Miller, Jr.
President
Maryland Senate
State House, H-107
Annapolis MD 21401-1991

The Honorable Michael E. Busch
Speaker
Maryland House of Delegates
State House, H-101
Annapolis MD 21401-1991

Dear President Miller and Speaker Busch:

I am writing to provide a copy of the Maryland Transportation Authority's (MDTA) financial forecast supporting the Final Fiscal Year (FY) 2015 - 2020 Consolidated Transportation Program (CTP), as required by Transportation Article, § 4-210 (Senate Bill 182, Chapter 567, Acts 2008). The statute directs, in part:

"(a) Each year, the Authority shall develop and adopt a 6-year financial forecast for the operations of the Authority.

"(b) In accordance with § 2-1246 of the State Government Article, the Authority shall submit to the General Assembly:

"(1) A draft of the financial forecast on submission of the budget bill to the presiding officers of the General Assembly; and

"(2) The financial forecast as approved by the Authority on or before July 1 of each year."

MDTA forecasts measure the agency's financial position through various ratios, assuming currently projected revenues and capital and operating expenses. These ratios are: the rate covenant included in the Trust Agreement and two financial policy goals established by MDTA, including debt service coverage and minimum cash balances established. The forecasts are structured to indicate the potential need for adjustments to revenues that might be required to adhere to these rate covenant and financial policy goals. Adherence to the rate covenant and policy goals are intended to comply with the legal obligations in the Trust Agreement and maintain the Authority's favorable bond rating, assuring it the lowest cost access to capital markets.

The Honorable Thomas V. "Mike" Miller, Jr.
The Honorable Michael E. Busch
Page Two

The current forecast indicates that, assuming currently anticipated revenues and expenditures, additional system-wide toll increases will not be required during the six-year period. Please note, however, that MDTA is currently analyzing what toll reductions could be made without having an adverse impact on the agency's ability to address long-term needs and meet financial obligations in the FY 2020 – 2025 time frame.

If you have any questions or comments, please do not hesitate to contact Mr. Bruce W. Gartner, MDTA Executive Director, at 410-537-1001. Of course, you may always contact me directly.

Sincerely,

A handwritten signature in black ink, appearing to read "Pete K. Rahn". The signature is fluid and cursive, with the first name "Pete" being the most prominent.

Pete K. Rahn
Acting Chairman

Attachment

cc: The Honorable Edward J. Kasemeyer, Chairman,
Senate Budget and Taxation Committee
The Honorable Thomas M. Middleton, Chairman,
Senate Finance Committee
The Honorable Sheila Ellis Hixson, Chairman,
House Ways and Means Committee
The Honorable Maggie McIntosh, Chairman,
House Appropriations Committee
Mr. Bruce W. Gartner, Executive Director, MDTA

CASH FLOW FORECAST FY 2014 - FY 2020
MARYLAND TRANSPORTATION AUTHORITY
(millions \$)

	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
REVENUES							
Toll Revenues	\$ 650.1	\$ 673.2	\$ 684.8	\$ 692.9	\$ 702.6	\$ 710.0	\$ 719.7
Concession Income	3.3	5.5	5.9	6.0	6.1	6.2	6.2
Investment Income & Other	8.5	10.8	10.3	9.3	9.1	9.1	13.4
Maryland Department of Transportation:							
Masonville Auto Terminal Lease	0.5	1.7	1.7	1.7	1.7	1.7	1.7
BWI/Port Police Reimbursement	24.0	25.2	25.0	26.3	27.6	29.0	30.4
TOTAL REVENUES	\$ 686.5	\$ 716.3	\$ 727.8	\$ 736.2	\$ 747.0	\$ 755.9	\$ 771.4

EXPENSES

Operating Expenses

Operating Account Budget	\$ 257.1	\$ 285.1	\$ 286.3	\$ 301.1	\$ 317.3	\$ 333.3	\$ 350.0
Debt Service (net of capitalized interest)	121.2	107.8	127.0	130.0	130.1	130.1	130.1
Maryland Department of Transportation:							
Transfer Payment	-	-	-	-	-	-	-

Total Operating Expenses	378.3	392.8	413.2	431.1	447.4	463.4	480.2
---------------------------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------

M&O Expenses

2015-2020 CTP	0.0	0.1	-	-	-	-	-
---------------	-----	-----	---	---	---	---	---

Capital Expenses

2015-2020 CTP (Non-ICC)	281.6	333.4	291.0	366.0	305.4	312.5	330.2
2015-2020 CTP (ICC)	77.7	61.9	2.5	-	-	-	-

Total Capital Expenses	359.3	395.3	293.5	366.0	305.4	312.5	330.2
-------------------------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------

Total Expenses (Ops, M&O, and Capital)	737.7	788.2	706.8	797.1	752.8	775.8	810.4
---	--------------	--------------	--------------	--------------	--------------	--------------	--------------

Capital Funding Sources:

Revenue Bonds	-	132.0	-	-	-	-	-
Garvee Bonds	-	-	-	-	-	-	-
Seagirt Proceeds	-	-	-	-	-	-	-
MDOT Pay-Go	-	-	-	-	-	-	-
Special Federal Funds	-	-	-	-	-	-	-
General Funds/General Obligation Bonds	21.5	-	-	-	-	-	-
Revenue Bond Defeasance	(54.5)	-	(193.6)	-	-	-	-
Accrual Accounting Reconciliation	21.1	-	-	-	-	-	-
Total Current Year Sources Available	(12.0)	132.0	(193.6)	-	-	-	-
Other Funding Required (Current Year)	371.3	263.3	487.1	366.0	305.4	312.5	330.2
Total Capital Funding Sources	359.3	395.3	293.5	366.0	305.4	312.5	330.2

Annual Cash Requirements	\$ 749.6	\$ 656.2	\$ 900.3	\$ 797.1	\$ 752.8	\$ 775.8	\$ 810.4
---------------------------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------

Annual Cash Surplus/Deficit	(63.2)	60.2	(172.6)	(60.9)	(5.8)	(19.9)	(39.0)
------------------------------------	---------------	-------------	----------------	---------------	--------------	---------------	---------------

Total Cash Balance	\$ 668.4	\$ 728.5	\$ 556.0	\$ 495.1	\$ 489.3	\$ 469.4	\$ 430.4
---------------------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------

Bonds Outstanding	\$ 2,214.3	\$ 2,318.3	\$ 2,114.3	\$ 2,078.9	\$ 2,030.7	\$ 1,980.4	\$ 1,927.9
--------------------------	-------------------	-------------------	-------------------	-------------------	-------------------	-------------------	-------------------

FINANCIAL COVERAGE RATIOS

Ratio of Total Cash to Toll Revenues	102%	107%	80%	71%	69%	66%	59%
Unencumbered Cash (\$350 mm minimum)	\$ 577.06	\$ 517.07	\$ 476.83	\$ 415.93	\$ 410.13	\$ 390.22	\$ 351.25
Debt Service Coverage (Policy - 2.0x)	3.54	3.99	3.46	3.33	3.29	3.24	3.23
Rate Covenant Compliance (Legal - 1.0x)	2.85	3.22	2.80	2.70	2.66	2.61	2.57

PROJECTED FUTURE AVERAGE TOLL INCREASES:

\$0 IN FY 2016

\$0 IN FY 2018

\$0 IN FY 2020

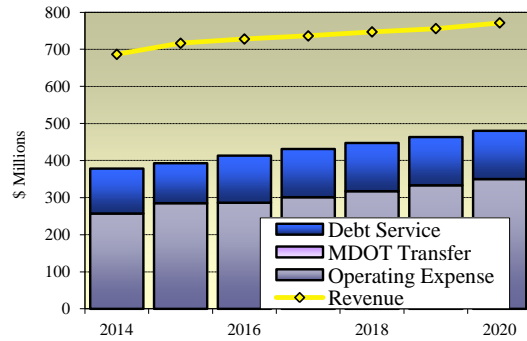
- Does not show toll increases beyond FY15-20 period.

- Regardless of timing and need for system wide toll increases, tolls on ICC and I-95 ETL would be increased to manage congestion

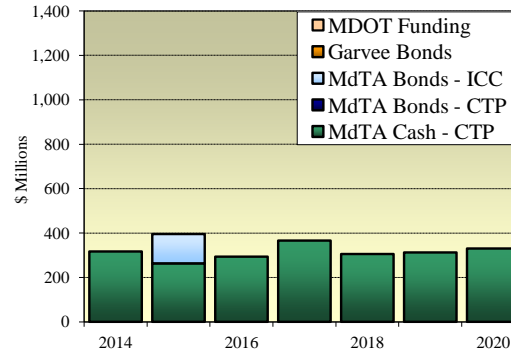
Scenario 2014-10 v8

JAN. 2015 FINANCIAL FORECAST
Final FY 15 - 20 CTP
Preliminary FY 16 Operating Budget
2014 Traffic and Revenue Report

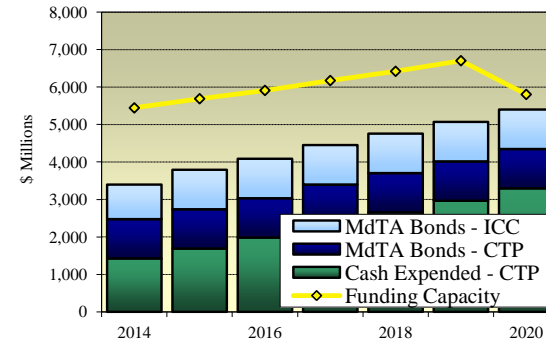
**Summary of Operations
Toll Road System**



Annual Capital Requirements



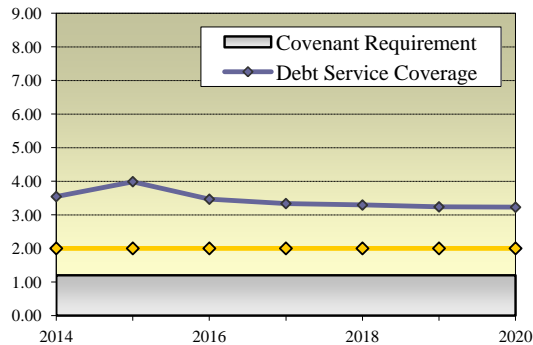
**Funding Capacity Utilization
Toll Road System**



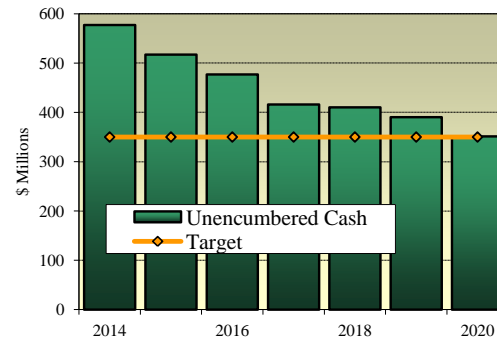
Annual Funding

Cumulative Utilization

Debt Service Coverage



Liquidity



Scenario Number: 2014-10 v8

Key Assumptions:

Toll Increases

- FY12-14: Included in T&R Forecast
- FY 16: \$0.00
- FY 18: \$0.00
- FY 20: \$0.00

Notes:

Does not include toll increases which might be needed beyond FY 20.

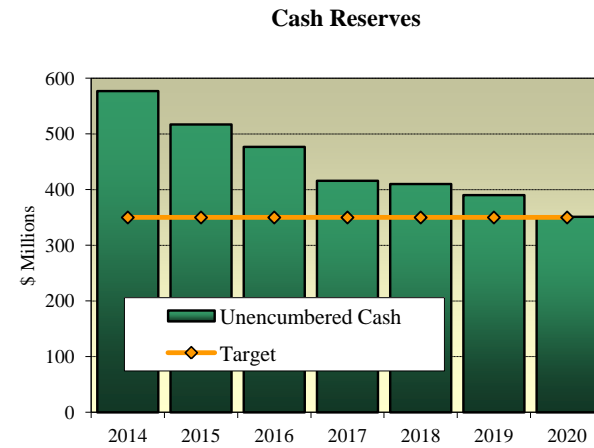
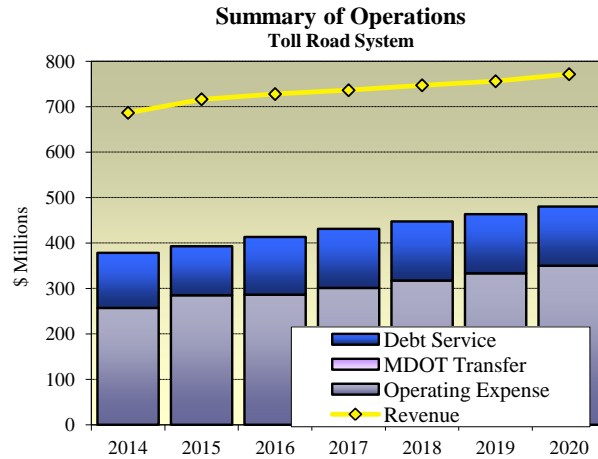
Does not indicate need for, or timing of, toll increases on ICC or I-95 ETL project, which would be implemented if needed for congestion management

Summary of Operations

12/31/14

Maryland Transportation Authority

Davenport & Company LLC



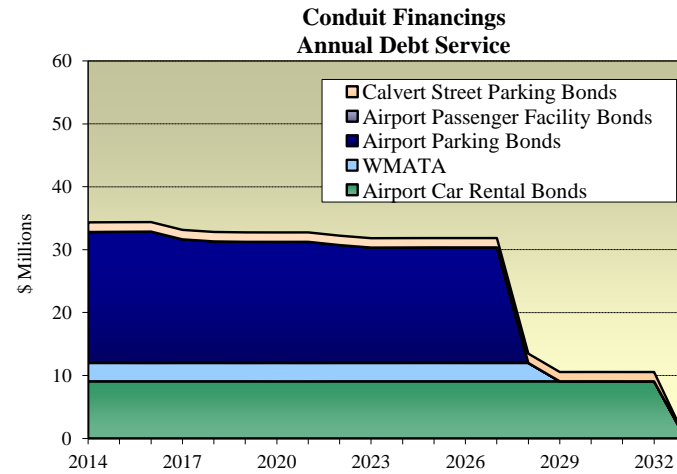
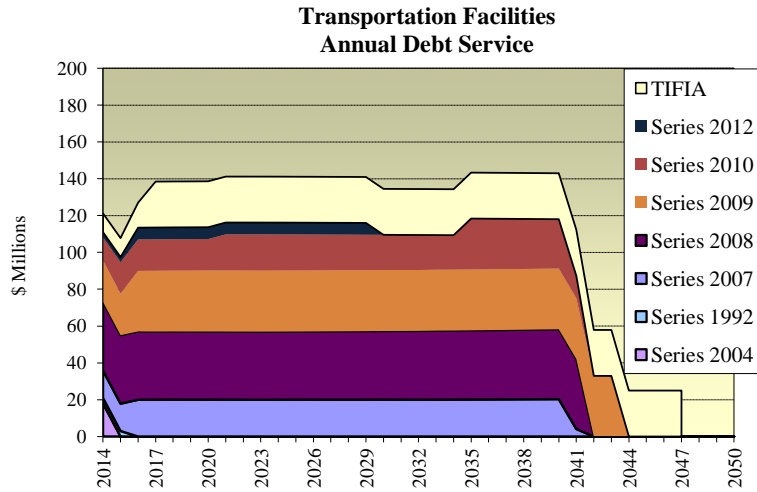
	2014	2015	2016	2017	2018	2019	2020
1 Revenue							
2 Toll and Concession Revenue	653	679	691	699	709	716	726
3 Other Revenue	33	38	37	37	38	40	45
4 Total Revenue	686	716	728	736	747	756	771
5 Expense							
6 Operating Expense	257	285	286	301	317	333	350
7 MDOT Transfer	0	0	0	0	0	0	0
8 Total Expense	257	285	286	301	317	333	350
9 Net Revenue	429	431	442	435	430	423	421
10 Net Debt Service	121	108	127	130	130	130	130
11 Surplus	308	324	315	305	300	293	291
12 Capital Expenditures (Cash)	371	263	487	366	305	312	330
13 Change in Total Cash	(63)	60	(173)	(61)	(6)	(20)	(39)
14 Total Cash Balance	668	729	556	495	489	469	430
15 Ratio of Cash to Toll Revenue	102%	107%	81%	71%	69%	66%	59%
16 Debt Service Coverage	3.54	3.99	3.46	3.33	3.29	3.24	3.23

Outstanding Debt

12/31/14

Maryland Transportation Authority

Davenport & Company LLC



Bonds Outstanding - June 30, 2014

(\$ Millions)

Transportation Facilities Bonds:

Series 2004	68.97
Series 1992 CAB's	5.82
Series 2007	297.91
Series 2008	555.18
Series 2009	549.39
Series 2010	326.44
TIFIA	397.50
Series 2012	67.61
Total	2,268.80

Conduit Financings:

Airport Parking Revenue Bonds:	
Series 2012A, B & C	177.29
Airport Car Rental Facility Bonds:	
Series 2002	96.50
Airport PFC Bonds (2):	
Series 2003A	11.20
Series 2012A & B	171.18
WMATA Parking Bonds:	
Series 2004	30.48
Calvert Street Parking Bonds:	
Series 2005	19.30

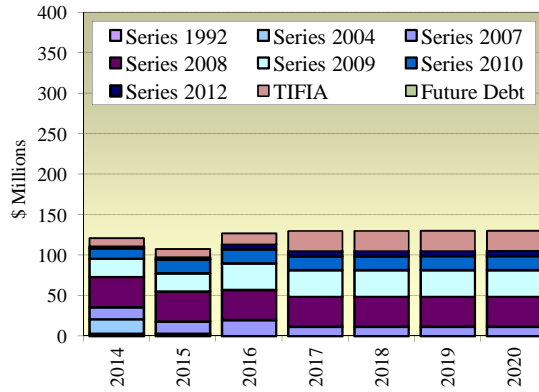
Planned Debt

01/02/15

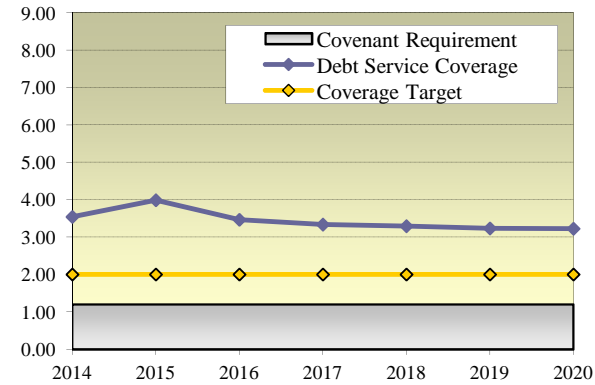
Maryland Maryland Transportation Authority

Davenport & Company LLC

**Debt Service Payments
Including Planned Issues**



**Debt Service Coverage
Including Planned Issues**



	2014	2015	2016	2017	2018	2019	2020
1 Bonds Issued							
2 MdTA Bonds Issued (1)	0	0	0	0	0	0	0
3 Garvee Bonds Issued	0	0	0	0	0	0	0
4 Total Bonds Issued	0	0	0	0	0	0	0
5 Debt Service							
6 MdTA Debt Service	121	108	127	130	130	130	130
7 Garvee Bond Debt Service	87	87	87	87	87	87	51
8 Coverage							
9 Net Revenue	429	431	442	435	430	423	421
10 MdTA Debt Service	121	108	127	130	130	130	130
11 Debt Service Coverage	3.54	3.99	3.46	3.33	3.29	3.24	3.23
(1) Total Bonds Issued							

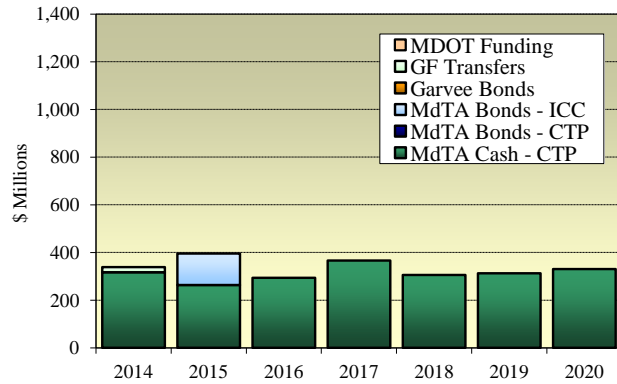
Capital Program

12/31/14

Maryland Transportation Authority

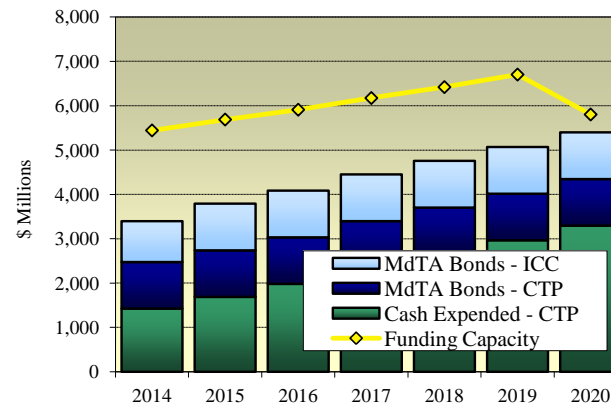
Davenport & Company LLC

Annual Capital Requirements



Annual Funding

Funding Capacity Utilization



Cumulative Utilization

	2014	2015	2016	2017	2018	2019	2020
Funding Capacity	5,444	5,688	5,910	6,174	6,420	6,703	5,803
Capacity Utilization:							
Bonds Issued - CTP	0	(0)	0	0	0	0	0
Bonds Issued - ICC	0	132	0	0	0	0	0
Cash Expended	<u>371</u>	<u>263</u>	<u>487</u>	<u>366</u>	<u>305</u>	<u>312</u>	<u>330</u>
Total Utilization	371	395	487	366	305	312	330
Cumulative Utilization	3,253	3,649	4,136	4,502	4,807	5,120	5,450
ICC Project							
MdTA Bonds Issued (1)	0	132	0	0	0	0	0
Contributions:							
Garvee Bonds	0	0	0	0	0	0	0
MDOT/Fed Funding	0	0	0	0	0	0	0
General Fund Transfers	21	0	0	0	0	0	0
Total	21	132	0	0	0	0	0
Total Capital (2)	393	395	487	366	305	312	330

(1) As shown in Line 4 above.

(2) Total Utilization plus ICC Contributions.

In \$Millions	2014	2015	2016	2017	2018	2019	2020
Revenues & Operating Expenses							
Toll Revenue	602.08	604.99	608.46	613.06	617.05	620.43	623.85
ICC Revenue	48.03	65.15	70.23	73.03	78.41	82.09	87.64
Section 100 ETL	0.00	3.10	6.10	6.80	7.10	7.50	8.20
Concessions	3.31	5.48	5.91	6.00	6.07	6.15	6.23
Investment Income & Other	8.51	10.79	10.35	9.31	9.10	9.10	13.36
Maryland Dept. of Transportation	<u>24.54</u>	<u>26.84</u>	<u>26.71</u>	<u>27.97</u>	<u>29.28</u>	<u>30.66</u>	<u>32.11</u>
Total Revenue	686.47	716.35	727.76	736.16	747.01	755.93	771.40
LESS: Operating Budget	257.13	285.05	286.25	301.12	317.34	333.30	350.03
LESS: MDOT Transfer Payment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LESS: Debt Service (1)	<u>121.16</u>	<u>107.79</u>	<u>126.99</u>	<u>129.98</u>	<u>130.05</u>	<u>130.09</u>	<u>130.14</u>
Net Cash Flow Before Capital	308.19	323.51	314.52	305.06	299.62	292.55	291.24
Capital Expenditures							
Revenue Bonds Issued (2)	0.00	132.02	0.00	0.00	0.00	0.00	0.00
Funded by Garvees and MDOT (3)	42.54	0.00	0.00	0.00	0.00	0.00	0.00
Cash Required for Capital Projects	<u>371.34</u>	<u>263.35</u>	<u>487.08</u>	<u>365.96</u>	<u>305.43</u>	<u>312.45</u>	<u>330.20</u>
Total Funding for Capital	413.88	395.38	487.08	365.96	305.43	312.45	330.20
MdTA Capital Projects	281.64	333.48	291.01	365.96	305.43	312.45	330.20
ICC	77.75	61.90	2.50	0.00	0.00	0.00	0.00
Annual Surplus/(Deficit)	(63.16)	60.16	(172.56)	(60.90)	(5.81)	(19.91)	(38.96)
Encumbered Cash	91.31	211.46	79.14	79.14	79.14	79.14	79.14
Unencumbered Cash	<u>577.06</u>	<u>517.07</u>	<u>476.83</u>	<u>415.93</u>	<u>410.13</u>	<u>390.22</u>	<u>351.25</u>
Total Cash Balance	668.37	728.53	555.97	495.07	489.26	469.36	430.39
Ratio of Cash to Total Toll Revenue (1.0x)	1.02	1.07	0.80	0.71	0.69	0.66	0.59
Debt Service Coverage (1,2)							
Debt Service Coverage (1.20x)	3.54	3.99	3.46	3.33	3.29	3.24	3.23
Coverage of All Requirements (1.00x)	3.54	3.98	3.46	3.33	3.29	3.24	3.23
Rate Covenant Compliance (1.00x)	2.85	3.22	2.80	2.70	2.66	2.61	2.57
Bonds Outstanding (4)	2,214.30	2,318.29	2,114.28	2,078.92	2,030.68	1,980.40	1,927.91

(1) Debt Service payable on July 1 is treated as occurring in the preceding Fiscal Year.

(2) Excludes Bonds Issued to Fund Capitalized Interest

(3) Garvee Bond Debt Service payable from Federal Highway Funds and is not included in Authority Cash Flows.

(4) As of June 30. Includes Bonds Retired and Bonds to Fund Capitalized Interest

Revenue and Expense Summary
Maryland Transportation Authority

Page 7
12/31/14

In \$Millions	2014	2015	2016	2017	2018	2019	2020
Revenue							
Tolls	574.08	575.10	578.32	582.66	586.40	589.52	592.67
Other Toll Revenue	28.01	29.89	30.14	30.40	30.65	30.91	31.18
Concessions	3.31	5.48	5.91	6.00	6.07	6.15	6.23
ICC Revenue	48.03	65.15	70.23	73.03	78.41	82.09	87.64
Section 100 ETL	0.00	3.10	6.10	6.80	7.10	7.50	8.20
Other Revenue	3.73	3.84	3.96	4.08	4.20	4.33	4.46
Investment Income	4.78	6.95	6.39	5.23	4.90	4.77	8.91
Maryland Dept. of Transportation:							
Seagirt	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BWI & Port Police	24.01	25.17	25.04	26.29	27.61	28.99	30.44
Annual Funding Agreement, MDOT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Misc	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Masonville	<u>0.52</u>	<u>1.67</u>	<u>1.67</u>	<u>1.67</u>	<u>1.67</u>	<u>1.67</u>	<u>1.67</u>
Total Revenue	686.47	716.35	727.76	736.16	747.01	755.93	771.40
Expenses							
Operations (Basic and M&O)	223.25	248.88	250.34	262.86	276.00	289.80	304.29
ICC Operations & Maintenance	8.90	10.41	10.27	11.30	13.00	13.70	14.40
Equipment and Insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Section 100 ETL	0.60	0.60	0.60	0.67	0.73	0.81	0.90
BWI and Port Police	24.37	25.17	25.04	26.29	27.61	28.99	30.44
MDOT Transit Initiative	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Expense	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Expense	257.13	285.05	286.25	301.12	317.34	333.30	350.03
Surplus	429.34	431.30	441.51	435.04	429.67	422.63	421.38
Debt Service (1,2)	121.16	107.79	126.99	129.98	130.05	130.09	130.14
Net Cash Flow Before Capital	308.19	323.51	314.52	305.06	299.62	292.55	291.24
Capital Projects							
M&O Reserve Expenditures	0.05	0.05	0.00	0.00	0.00	0.00	0.00
CTP Projects	281.59	333.43	291.01	365.96	305.43	312.45	330.20
ICC	<u>77.75</u>	<u>61.90</u>	<u>2.50</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Capital Projects	359.39	395.38	293.51	365.96	305.43	312.45	330.20
Less: Seagirt Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Garvees and Other Funds (2)	(42.54)	0.00	0.00	0.00	0.00	0.00	0.00
Less: Revenue Bonds Issued	<u>0.00</u>	<u>(132.02)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Cash Required for Cap.	371.34	263.35	487.08	365.96	305.43	312.45	330.20
Other / Revenue Bond Defeasance	(54.50)	0.00	(193.57)	0.00	0.00	0.00	0.00
Ending Cash Balance*	668.37	728.53	555.97	495.07	489.26	469.36	430.39
Encumbered Cash Balance	91.31	211.46	79.14	79.14	79.14	79.14	79.14
Unencumbered Cash Balance	577.06	517.07	476.83	415.93	410.13	390.22	351.25

(1) Debt Service payable on July 1 is treated as occurring in the preceding Fiscal Year.

(2) Garvee Bond Debt Service payable from Federal Highway Funds is not included in Authority Cash Flows. Includes Reconciling Item for FY 2013 a

*FY 08 Restated to reflect Cash Balances equivalent to Investment Values on a cost Basis

Capital Spending & Debt Capacity
Maryland Transportation Authority

Page 8
 12/31/14

	2014	2015	2016	2017	2018	2019	2020
Capital Projects							
Maint. & Oper. Res. Expenditures	0.05	0.05	0.00	0.00	0.00	0.00	0.00
CTP Projects & General	281.59	333.43	291.01	365.96	305.43	312.45	330.20
ICC Funding Requirements	77.75	61.90	2.50	0.00	0.00	0.00	0.00
LESS: System Bonds Issued - Existing	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LESS: System Bonds Issued - Detailed (customized)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LESS: System Bonds Issued - General	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LESS: System Bonds Issued - Cap. Int.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LESS: System Bonds Issued - TIFIA	0.00	132.02	0.00	0.00	0.00	0.00	0.00
LESS: Seagirt Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LESS: Other State Funding for ICC	21.48	0.00	0.00	0.00	0.00	0.00	0.00
LESS: Garvee Bonds Issued (1)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LESS: Other Funding / Reconciling Item	<u>(21.06)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Net Requirements from Other Sources	316.85	263.35	293.51	365.96	305.43	312.45	330.20
Minimum Cash Funded Capital	40.69	9.07	2.38	1.18	24.00	24.00	24.00
Ending Total Cash	668.37	728.53	555.97	495.07	489.26	469.36	430.39
Total Bonds Issued	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Debt Service (1,2)							
System Debt Service - Existing	110.98	97.46	113.43	113.51	113.57	113.61	113.66
System Debt Service - Detail (customized)	0.00	0.00	0.00	(8.48)	(8.48)	(8.48)	(8.48)
System Debt Service - General	0.00	0.00	0.00	0.00	0.00	0.00	0.00
System Debt Service - Cap. Int.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
System Debt Service - TIFIA	10.18	10.32	13.56	24.95	24.95	24.95	24.95
Total Debt Service	121.16	107.79	126.99	129.98	130.05	130.09	130.14
Debt Service Coverage							
Toll Revenue, Concessions, and other revenue	657.16	682.56	694.66	702.96	712.83	720.50	730.38
Total Investment Income	4.78	6.95	6.39	5.23	4.90	4.77	8.91
Operating Expense	<u>(232.75)</u>	<u>(259.89)</u>	<u>(261.21)</u>	<u>(274.83)</u>	<u>(289.73)</u>	<u>(304.31)</u>	<u>(319.59)</u>
Net Revenue Avail for DS	429.18	429.62	439.84	433.37	428.00	420.96	419.70
System Debt Service (1,2)	121.16	107.79	126.99	129.98	130.05	130.09	130.14
Pledged to Garvee Bonds	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Debt Service Requirement	121.16	107.79	126.99	129.98	130.05	130.09	130.14
Coverage of Debt Service	3.54	3.99	3.46	3.33	3.29	3.24	3.23
Maintenance & Op Reserve Transfer	0.05	0.05	-	-	-	-	-
Coverage of All Req.	3.54	3.98	3.46	3.33	3.29	3.24	3.23
Rate Covenant Compliance (1.0x)	2.85	3.22	2.80	2.70	2.66	2.61	2.57

- (1) Debt Service payable on July 1 is treated as occurring in the preceding Fiscal Year.
- (2) Garvee Bond Debt Service payable from Federal Highway Funds and is not included in Authority Cash Flows.
- (3) Debt Service Adjustment shown represents additional debt service not capitalized for bonds issued after 2011
- (4) For purposes of Rate Covenant compliance Eligible Investment Income is used in lieu of Total Investment Income.

Traffic & Revenue Assumptions

Maryland Transportation Authority

12/31/14

	2014	2015	2016	2017	2018	2019	2020
<u>Average Toll Per Vehicle</u>							
Beginning	3.70	5.10	5.12	5.11	5.12	5.12	5.12
Change in Traffic Mix / Adopted Toll Changes	1.40	0.02	(0.01)	0.01	0.00	(0.00)	(0.00)
Toll Adjustment			-	-	-	-	-
Ending Avg. Toll	5.10	5.12	5.11	5.12	5.12	5.12	5.12
Toll Adjustment as % of Beginning Toll Revenue Per Vel	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>Traffic</u>							
Growth	-1.05%	-0.14%	0.69%	0.54%	0.60%	0.56%	0.54%
Adjusted Forecast	112.52	112.36	113.14	113.75	114.44	115.08	115.70
<u>Toll Revenue</u>							
Average Toll Per Vehicle	5.10	5.12	5.11	5.12	5.12	5.12	5.12
Traffic	112.52	112.36	113.14	113.75	114.44	115.08	115.70
Toll Revenue	574.08	575.10	578.32	582.66	586.40	589.52	592.67
<u>Other Toll Revenue</u>							
Growth	33.3%	6.7%	0.8%	0.9%	0.8%	0.8%	0.9%
Amount	28.01	29.89	30.14	30.40	30.65	30.91	31.18
	28.01						
Average Toll Per Vehicle Including "Other Toll Revenue"	5.35	5.38	5.38	5.39	5.39	5.39	5.39
Toll Adjustment as % of Avg Toll Per Vehicle Including "Other Toll Revenue"	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Toll Revenue (\$Millions)	602.08	604.99	608.46	613.06	617.05	620.43	623.85

General Assumptions
Maryland Transportation Authority

	2014	2015	2016	2017	2018	2019	2020
<u>Other Revenue</u>							
Concessions	-18.97%	65.39%	7.87%	1.43%	1.28%	1.32%	1.30%
Other Revenue	-41.51%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Section 100 ETL	0.00	3.10	6.10	6.80	7.10	7.50	8.20
Seagirt	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
DOT - BWI/ Port Police	3.50%	4.81%	-0.50%	5.00%	5.00%	5.00%	5.00%
Annual Funding Agreement, MDOT	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Misc	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Masonville	0.523	1.674	1.674	1.674	1.674	1.674	1.674
Investment Yield	4.78	1.00%	1.00%	1.00%	1.00%	1.00%	2.00%
<u>Expenses</u>							
Operations (Basic)							
Operations (M&O)							
Operations (Basic and M&O)	223.25	248.88	250.34	5.00%	5.00%	5.00%	5.00%
Section 100 ETL	0.60	0.60	0.60	0.67	0.73	0.81	0.90
Equipment and Insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BWI and Port Police	24.37	25.17	25.04	5.00%	5.00%	5.00%	5.00%
MDOT Transit Initiative	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other Expense	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>M&O Reserve Transfer</u>							
M&O CTP	0.05	0.05	0.00	0.00	0.00	0.00	0.00
Other Requirements	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LESS: Advanced Funding	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LESS: Other Funding	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Required Transfer	0.05	0.05	0.00	0.00	0.00	0.00	0.00
<u>Encumbered Cash</u>							
Capital Reserve	0.00	132.02	0.00	0.00	0.00	0.00	0.00
Maintenance & Operating Reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Advanced Payments - M&O Reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Seagirt Proceeds Account	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GARVEE Debt Service Reserve Fund	11.90	9.97	9.97	9.97	9.97	9.97	9.97
Unspent Bond Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TRB Debt Service Reserve Fund	71.49	69.47	69.17	69.17	69.17	69.17	69.17
ICC Depository	7.92	0.00	0.00	0.00	0.00	0.00	0.00
Total Encumbered Cash	91.31	211.46	79.14	79.14	79.14	79.14	79.14
<u>ICC Revenue and Expenses</u>							
Traffic Growth	21.07%	34.67%	2.89%	4.03%	2.42%	4.77%	1.80%
ICC Traffic	27.64	37.22	38.29	39.84	40.80	42.74	43.51
Average Toll/Vehicle Adjustment	0.00	0.01	0.08	0.00	0.09	0.00	0.09
Average Toll	1.74	1.75	1.83	1.83	1.92	1.92	2.01
ICC Revenue	48.03	65.15	70.23	73.03	78.41	82.09	87.64
Operating and Maintenance (Growth)	7.10%	16.97%	-1.34%	10.03%	15.04%	5.38%	5.11%
ICC O&M	8.90	10.41	10.27	11.30	13.00	13.70	14.40

Note: ICC Revenue derived from WSA Forecast and includes an evasion factor.

Maryland Transportation Authority

Davenport & Company LLC

In \$Millions	Total	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Funding Requirement	2,386.59	6.96	37.92	29.84	145.74	277.30	385.70	565.89	532.28	194.76	68.05	77.75	61.90	2.50	0.00	0.00	0.00	0.00
Sources of Funds																		
Garvee Bonds	750.00	0.00	0.00	0.00	325.00	0.00	425.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Additional Funds from GARVEE Sale	(0.00)	0.00	0.00	0.00	16.91	0.00	0.00	0.00	0.00	(16.91)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MDOT- P.A.Y.G.	180.00	0.00	22.00	38.00	30.00	30.00	30.00	30.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
General Funds / General Obligation Bonds	264.91	0.00	0.00	0.00	53.00	0.00	0.00	55.00	89.28	46.15	0.00	21.48	0.00	0.00	0.00	0.00	0.00	0.00
Spec. Fed Funds - P.A.Y.G.	19.27	0.00	0.00	0.58	18.00	0.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MdTa Bonds - TRB	537.48	0.00	0.00	0.00	0.00	176.30	0.00	278.90	82.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MdTa Bonds - TIFIA Loan	516.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	347.23	36.74	0.00	0.00	132.02	0.00	0.00	0.00	0.00	0.00
MdTA Reserves ⁽¹⁾	<u>118.93</u>	<u>6.960</u>	<u>19.840</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>132.02</u>	<u>4.23</u>	<u>87.89</u>	<u>(132.02)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Sources of Funds	2,386.59	6.96	41.84	38.58	442.91	206.99	455.00	363.90	518.81	198.01	4.23	109.37	0.00	0.00	0.00	0.00	0.00	0.00
Cumulative Surplus (Deficit)		0.00	3.92	12.63	309.80	239.50	308.80	106.81	93.34	96.59	32.78	64.40	2.50	0.00	0.00	0.00	0.00	0.00

Debt Service

Garvee Bonds - W/O Support		0.00	0.00	0.00	0.00	36.09	40.36	87.46	87.46	87.46	87.45	87.46	87.45	87.45	87.45	87.46	87.45	51.36
Total Garvee Debt Service		0.00	0.00	0.00	0.00	36.09	40.36	87.46	87.46	87.46	87.45	87.46	87.45	87.45	87.45	87.46	87.45	51.36
Existing MdTa Bonds - System		0.00	0.00	0.00	0.00	0.00	0.00	0.10	16.68	22.89	29.54	30.67	36.50	36.53	36.55	36.57	36.61	
Planned MdTa Bonds - System		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.18	10.18	10.32	13.56	24.95	24.95	24.95	24.95	
Total MdTA Debt Service		0.00	0.00	0.00	0.00	0.00	0.00	0.10	16.68	33.07	39.71	41.00	50.06	61.48	61.50	61.53	61.56	
Total All Debt Service		0.00	0.00	0.00	0.00	36.09	40.36	87.46	87.55	104.13	120.52	127.17	128.45	137.51	148.94	148.96	148.98	112.93
MdTA Rev. Recvd From (Pledged To) Garvees			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MdTA Debt Capacity Provided (Used) By Garvees			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Financing Assumptions

	<u>Final Mat.</u>	<u>Rate</u>	<u>Def. Int.(Yr)</u>	<u>DS Per \$100 MM</u>
Future MdTa Bonds - System	30	5.25%	N/A	6.69

⁽¹⁾ Adjusted 2006 Surplus in December 2008 from 12.66 to 12.63 per PB Consult.

Pro Forma 2014-10 Planned Debt Issuance Summary



Maryland Transportation Authority

\$ millions

Planned Debt Issuance	2015	2016	2017	2018	2019	2020
Bonds Issued to Fund Projects ¹	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds Issued to Fund Cap. Int.	-	-	-	-	-	-
Total Bonds Issued	-	-	-	-	-	-

¹Note: Full amount of TIFIA is shown as existing debt. Final draw is scheduled to occur in FY 2015.

Existing and Projected Debt Amortization Schedule



Maryland Transportation Authority

\$ millions

Amount 162.1
TIC 6.03%

Amount 160.0
TIC 4.87%

Amount 300.0
TIC 4.54%

Series 1992

FY	Principal	Interest	Total
Total	24.4	-	24.4
2012	15.4	-	15.4
2013	3.0	-	3.0
2014	3.0	-	3.0
2015	3.0	-	3.0
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
2031	-	-	-
2032	-	-	-
2033	-	-	-
2034	-	-	-
2035	-	-	-
2036	-	-	-
2037	-	-	-
2038	-	-	-
2039	-	-	-
2040	-	-	-
2041	-	-	-
2042	-	-	-
2043	-	-	-
2044	-	-	-
2045	-	-	-
2046	-	-	-
2047	-	-	-
2048	-	-	-
2049	-	-	-
2050	-	-	-
2051	-	-	-
2052	-	-	-
2053	-	-	-
2054	-	-	-

Series 2004

FY	Principal	Interest	Total
Total	29.5	13.7	43.2
2012	1.3	6.0	7.3
2013	13.8	4.2	18.0
2014	14.5	3.5	18.0
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
2031	-	-	-
2032	-	-	-
2033	-	-	-
2034	-	-	-
2035	-	-	-
2036	-	-	-
2037	-	-	-
2038	-	-	-
2039	-	-	-
2040	-	-	-
2041	-	-	-
2042	-	-	-
2043	-	-	-
2044	-	-	-
2045	-	-	-
2046	-	-	-
2047	-	-	-
2048	-	-	-
2049	-	-	-
2050	-	-	-
2051	-	-	-
2052	-	-	-
2053	-	-	-
2054	-	-	-

Series 2007

FY	Principal	Interest	Total
Total	300.0	265.0	565.0
2012	1.0	13.8	14.8
2013	1.1	13.8	14.8
2014	1.1	13.7	14.9
2015	1.2	13.7	14.9
2016	6.3	13.6	20.0
2017	6.6	13.4	20.0
2018	6.9	13.1	20.1
2019	7.3	12.8	20.0
2020	7.6	12.4	20.0
2021	8.0	12.0	20.0
2022	8.4	11.6	20.0
2023	8.8	11.2	20.0
2024	9.2	10.8	20.0
2025	9.6	10.4	20.0
2026	10.1	10.0	20.0
2027	10.5	9.5	20.0
2028	11.0	9.0	20.0
2029	11.6	8.5	20.0
2030	12.1	7.9	20.1
2031	12.7	7.3	20.0
2032	13.3	6.7	20.0
2033	13.9	6.1	20.0
2034	14.6	5.5	20.1
2035	15.3	4.8	20.1
2036	16.0	4.1	20.1
2037	16.8	3.4	20.2
2038	17.6	2.7	20.2
2039	18.4	1.9	20.3
2040	19.3	1.0	20.3
2041	3.9	0.2	4.1
2042	-	-	-
2043	-	-	-
2044	-	-	-
2045	-	-	-
2046	-	-	-
2047	-	-	-
2048	-	-	-
2049	-	-	-
2050	-	-	-
2051	-	-	-
2052	-	-	-
2053	-	-	-
2054	-	-	-

Existing and Projected Debt Amortization Schedule



Maryland Transportation Authority

\$ millions

Amount 573.3
TIC 4.93%

Amount 549.4
TIC 3.80%

Amount 326.4
TIC 3.66%

Series 2008

FY	Principal	Interest	Total
Total	573.3	546.0	1,119.3
2012	8.9	28.6	37.5
2013	9.2	28.1	37.4
2014	9.6	27.7	37.3
2015	10.0	27.2	37.2
2016	10.4	26.7	37.1
2017	10.8	26.2	37.0
2018	11.4	25.6	37.0
2019	11.9	25.1	37.0
2020	12.5	24.5	37.0
2021	13.1	23.9	37.0
2022	13.8	23.2	37.0
2023	14.5	22.5	37.0
2024	15.2	21.8	37.0
2025	16.0	21.0	37.0
2026	16.8	20.2	37.0
2027	17.7	19.4	37.1
2028	18.6	18.5	37.1
2029	19.6	17.6	37.2
2030	20.6	16.6	37.3
2031	21.7	15.6	37.3
2032	22.9	14.5	37.4
2033	24.1	13.4	37.5
2034	25.3	12.2	37.5
2035	26.7	10.9	37.6
2036	28.0	9.6	37.6
2037	29.5	8.2	37.7
2038	31.1	6.7	37.8
2039	32.7	5.2	37.9
2040	34.4	3.5	37.9
2041	36.2	1.8	38.0
2042	-	-	-
2043	-	-	-
2044	-	-	-
2045	-	-	-
2046	-	-	-
2047	-	-	-
2048	-	-	-
2049	-	-	-
2050	-	-	-
2051	-	-	-
2052	-	-	-
2053	-	-	-
2054	-	-	-

Series 2009

FY	Principal	Interest	Total
Total	549.4	432.1	981.5
2012	-	-	-
2013	-	10.9	10.9
2014	-	22.5	22.5
2015	-	22.5	22.5
2016	10.4	22.5	32.9
2017	10.9	22.1	33.0
2018	11.4	21.6	33.0
2019	12.0	21.1	33.1
2020	12.6	20.6	33.1
2021	13.2	19.9	33.1
2022	13.9	19.3	33.1
2023	14.6	18.6	33.1
2024	15.3	17.8	33.1
2025	15.9	17.2	33.1
2026	16.5	16.6	33.1
2027	17.1	16.0	33.1
2028	17.8	15.3	33.1
2029	18.5	14.6	33.1
2030	19.2	13.9	33.1
2031	20.0	13.1	33.1
2032	20.7	12.3	33.1
2033	21.5	11.5	33.1
2034	22.4	10.7	33.0
2035	23.3	9.8	33.0
2036	24.2	8.8	33.0
2037	25.1	7.9	33.0
2038	26.1	6.9	33.0
2039	27.1	5.8	33.0
2040	28.2	4.8	33.0
2041	29.3	3.6	33.0
2042	30.5	2.5	32.9
2043	31.7	1.3	32.9
2044	-	-	-
2045	-	-	-
2046	-	-	-
2047	-	-	-
2048	-	-	-
2049	-	-	-
2050	-	-	-
2051	-	-	-
2052	-	-	-
2053	-	-	-
2054	-	-	-

Series 2010

FY	Principal	Interest	Total
Total	326.4	259.1	585.5
2012	-	12.1	12.1
2013	-	12.1	12.1
2014	-	12.6	12.6
2015	4.5	12.6	17.1
2016	4.7	12.4	17.1
2017	4.8	12.3	17.1
2018	5.0	12.1	17.1
2019	5.3	11.8	17.1
2020	5.5	11.6	17.1
2021	8.4	11.3	19.7
2022	8.7	11.0	19.7
2023	9.0	10.7	19.7
2024	9.3	10.4	19.6
2025	9.5	10.1	19.6
2026	9.8	9.7	19.5
2027	10.1	9.4	19.4
2028	10.4	9.0	19.4
2029	10.7	8.6	19.3
2030	10.9	8.2	19.1
2031	11.3	7.8	19.1
2032	11.7	7.3	19.0
2033	12.0	6.9	18.8
2034	12.3	6.4	18.7
2035	21.7	5.9	27.7
2036	22.4	5.1	27.5
2037	23.1	4.2	27.3
2038	23.8	3.3	27.2
2039	24.6	2.4	27.0
2040	25.4	1.4	26.8
2041	11.8	0.5	12.2
2042	-	-	-
2043	-	-	-
2044	-	-	-
2045	-	-	-
2046	-	-	-
2047	-	-	-
2048	-	-	-
2049	-	-	-
2050	-	-	-
2051	-	-	-
2052	-	-	-
2053	-	-	-
2054	-	-	-

Existing and Projected Debt Amortization Schedule



Maryland Transportation Authority

\$ millions

Amount 130.0
TIC 2.48%

Amount 529.5
Rate 2.56%

Series 2012

FY	Principal	Interest	Total
Total	67.6	31.5	99.1
2012	-	1.0	1.0
2013	-	2.8	2.8
2014	-	2.8	2.8
2015	-	2.8	2.8
2016	3.6	2.8	6.4
2017	3.7	2.7	6.4
2018	3.9	2.5	6.4
2019	4.1	2.3	6.4
2020	4.2	2.2	6.4
2021	4.4	2.0	6.4
2022	4.7	1.7	6.4
2023	4.9	1.5	6.4
2024	5.1	1.3	6.4
2025	5.3	1.1	6.4
2026	5.6	0.8	6.4
2027	5.8	0.6	6.4
2028	6.0	0.4	6.4
2029	6.2	0.2	6.4
2030	-	-	-
2031	-	-	-
2032	-	-	-
2033	-	-	-
2034	-	-	-
2035	-	-	-
2036	-	-	-
2037	-	-	-
2038	-	-	-
2039	-	-	-
2040	-	-	-
2041	-	-	-
2042	-	-	-
2043	-	-	-
2044	-	-	-
2045	-	-	-
2046	-	-	-
2047	-	-	-
2048	-	-	-
2049	-	-	-
2050	-	-	-
2051	-	-	-
2052	-	-	-
2053	-	-	-
2054	-	-	-

TIFIA

FY	Principal	Interest	Total
Total	529.5	288.3	817.8
2012	-	-	-
2013	-	10.2	10.2
2014	-	10.2	10.2
2015	-	10.3	10.3
2016	-	13.6	13.6
2017	11.4	13.6	25.0
2018	11.7	13.3	25.0
2019	12.0	13.0	25.0
2020	12.3	12.7	25.0
2021	12.6	12.3	25.0
2022	12.9	12.0	25.0
2023	13.3	11.7	25.0
2024	13.6	11.3	25.0
2025	14.0	11.0	25.0
2026	14.3	10.6	25.0
2027	14.7	10.3	25.0
2028	15.1	9.9	25.0
2029	15.4	9.5	25.0
2030	15.8	9.1	25.0
2031	16.2	8.7	25.0
2032	16.7	8.3	25.0
2033	17.1	7.9	25.0
2034	17.5	7.4	25.0
2035	18.0	7.0	25.0
2036	18.4	6.5	25.0
2037	18.9	6.1	25.0
2038	19.4	5.6	25.0
2039	19.9	5.1	25.0
2040	20.4	4.6	25.0
2041	20.9	4.0	25.0
2042	21.4	3.5	25.0
2043	22.0	3.0	25.0
2044	22.6	2.4	25.0
2045	23.1	1.8	25.0
2046	23.7	1.2	25.0
2047	24.3	0.6	25.0
2048	-	-	-
2049	-	-	-
2050	-	-	-
2051	-	-	-
2052	-	-	-
2053	-	-	-
2054	-	-	-

Municipal Advisor Disclosure

The U.S. Securities and Exchange Commission (the “SEC”) has clarified that a broker, dealer or municipal securities dealer engaging in municipal advisory activities outside the scope of underwriting a particular issuance of municipal securities should be subject to municipal advisor registration. Davenport & Company LLC (“Davenport”) has registered as a municipal advisor with the SEC. As a registered municipal advisor Davenport may provide advice to a municipal entity or obligated person. An obligated person is an entity other than a municipal entity, such as a not for profit corporation, that has commenced an application or negotiation with an entity to issue municipal securities on its behalf and for which it will provide support. If and when an issuer engages Davenport to provide financial advisory or consultant services with respect to the issuance of municipal securities, Davenport is obligated to evidence such a financial advisory relationship with a written agreement.

When acting as a registered municipal advisor Davenport is a fiduciary required by federal law to act in the best interest of a municipal entity without regard to its own financial or other interests. Davenport is not a fiduciary when it acts as a registered investment advisor, when advising an obligated person, or when acting as an underwriter, though it is required to deal fairly with such persons.

This material was prepared by public finance, or other non-research personnel of Davenport. This material was not produced by a research analyst, although it may refer to a Davenport research analyst or research report. Unless otherwise indicated, these views (if any) are the author’s and may differ from those of the Davenport fixed income or research department or others in the firm. Davenport may perform or seek to perform financial advisory services for the issuers of the securities and instruments mentioned herein.

This material has been prepared for information purposes only and is not a solicitation of any offer to buy or sell any security/instrument or to participate in any trading strategy. Any such offer would be made only after a prospective participant had completed its own independent investigation of the securities, instruments or transactions and received all information it required to make its own investment decision, including, where applicable, a review of any offering circular or memorandum describing such security or instrument. That information would contain material information not contained herein and to which prospective participants are referred. This material is based on public information as of the specified date, and may be stale thereafter. We have no obligation to tell you when information herein may change. We make no representation or warranty with respect to the completeness of this material. Davenport has no obligation to continue to publish information on the securities/instruments mentioned herein. Recipients are required to comply with any legal or contractual restrictions on their purchase, holding, sale, exercise of rights or performance of obligations under any securities/instruments transaction.

The securities/instruments discussed in this material may not be suitable for all investors or issuers. Recipients should seek independent financial advice prior to making any investment decision based on this material. This material does not provide individually tailored investment advice or offer tax, regulatory, accounting or legal advice. Prior to entering into any proposed transaction, recipients should determine, in consultation with their own investment, legal, tax, regulatory and accounting advisors, the economic risks and merits, as well as the legal, tax, regulatory and accounting characteristics and consequences, of the transaction. You should consider this material as only a single factor in making an investment decision.

The value of and income from investments and the cost of borrowing may vary because of changes in interest rates, foreign exchange rates, default rates, prepayment rates, securities/instruments prices, market indexes, operational or financial conditions or companies or other factors. There may be time limitations on the exercise of options or other rights in securities/instruments transactions. Past performance is not necessarily a guide to future performance and estimates of future performance are based on assumptions that may not be realized. Actual events may differ from those assumed and changes to any assumptions may have a material impact on any projections or estimates. Other events not taken into account may occur and may significantly affect the projections or estimates. Certain assumptions may have been made for modeling purposes or to simplify the presentation and/or calculation of any projections or estimates, and Davenport does not represent that any such assumptions will reflect actual future events. Accordingly, there can be no assurance that estimated returns or projections will be realized or that actual returns or performance results will not materially differ from those estimated herein. This material may not be sold or redistributed without the prior written consent of Davenport. Version 1.13.14 CH | MB