



March 2, 2021 9:00 am

Urban Redevelopment Agency Agenda

1. Call to Order
2. Approval of Minutes
 - a) 02-16-2021
3. Consideration of a Motion to approve First Supplemental Bond Resolution authorizing \$4,500,000.00 Series 2021 Revenue Bond to be issued by Truist Bank at 1.47% interest with maturity date of October 1, 2030.
4. Adjourn



CITY OF STATESBORO
URBAN REDEVELOPMENT AGENCY MINUTES
FEBRUARY 16, 2021

Urban Redevelopment Agency

50 East Main Street

4:30 PM

A meeting of the Urban Redevelopment Agency was held on February 16, 2021 at 4:30 p.m. in City Hall Council Chambers, 50 East Main Street. Also present was City Clerk Leah Harden, City Attorney Cain Smith, City Manager Charles Penny, Assistant City Manager Jason Boyles and Public Information Officer Layne Phillips.

Jonathan McCollar called the meeting to order.

City Clerk Leah Harden performed roll call.

Present: Chair Jonathan McCollar, Vice-Chair Paulette Chavers, Secretary Shari Barr Agency Members Elizabeth Johnson – Via Zoom, John Riggs, Mary Foremen, Maurice Hill – Via Zoom, Phil Boyum, Ronald Love, Venus Mack, and Victor Dickey.

Approval of Minutes:

a) 01-19-2021

URA Vice- Chair Paulette Chavers made a motion seconded by URA Member Venus Mack to approve the minutes of 1-19-2021. URA Members McCollar, Chavers, Barr, Johnson, Riggs, Foreman, Hill, Bouym, Love, Mack, and Dickey voted in favor of the motion. The motion carried by an 11-0 vote.

Consideration of a motion to approve a Series 2021 Bond Resolution to obtain financing for exercise of Urban Redevelopment powers, particularly as to improvements to Grady Street and Luetta Moore parks.

URA Vice- Chair Paulette Chavers made a motion seconded by URA Member Venus Mack to approve a Series 2021 Bond to obtain financing for the exercise of Urban Redevelopment powers, particularly as to improvements to Grady Street and Luetta Moore parks. URA Members McCollar, Chavers, Barr, Johnson, Riggs, Foreman, Hill, Bouym, Love, Mack, and Dickey voted in favor of the motion. The motion carried by an 11-0 vote.

Consideration of a motion to approve an Intergovernmental Contract between City and Urban Redevelopment Agency regarding the issuance of a bond to finance improvements to Luetta Moore and Grady Street parks.

URA Member Venus Mack made a motion seconded by URA Member John Riggs to approve an intergovernmental Contract between the City and Urban Redevelopment Agency regarding the issuance of a bond to finance improvements to Luetta Moore and Grady Street parks. URA Members McCollar, Chavers, Barr, Johnson, Riggs, Foreman, Hill, Bouym, Love, Mack, and Dickey voted in favor of the motion. The motion carried by an 11-0 vote.

Consideration of a motion to adjourn.

URA Member Venus Mack made a motion seconded by URA Vice-Chair Paulette Chavers to adjourn the meeting. URA Members McCollar, Chavers, Barr, Johnson, Riggs, Foreman, Hill, Bouym, Love, Mack, and Dickey voted in favor of the motion. The motion carried by an 11-0 vote.

The meeting was adjourned at 4:49 pm.

URBAN REDEVELOPMENT AGENCY OF THE CITY OF STATESBORO

FIRST SUPPLEMENTAL BOND RESOLUTION

Adopted March 2, 2021

Providing for issuance of the
URBAN REDEVELOPMENT AGENCY OF THE CITY OF STATESBORO (GEORGIA)
REVENUE BOND, SERIES 2021

in the principal amount of \$4,500,000

A FIRST SUPPLEMENTAL BOND RESOLUTION OF THE URBAN REDEVELOPMENT AGENCY OF THE CITY OF STATESBORO (THE “AGENCY”) TO AMEND AND SUPPLEMENT A BOND RESOLUTION ADOPTED BY THE AGENCY ON FEBRUARY 16, 2021.

WHEREAS, the Agency, by a resolution adopted on February 16, 2021 (the “**Bond Resolution**”), authorized the issuance of URBAN REDEVELOPMENT AGENCY OF THE CITY OF STATESBORO (GEORGIA) REVENUE BOND, SERIES 2021 (the “**Bond**”), in the principal amount not to exceed \$4,500,000; and

WHEREAS, the Agency has offered the Bond for sale pursuant to a Request for Proposals which has been disseminated to prospective bidders by the Agency through Davenport & Company LLC, the financial advisor for the City of Statesboro (the “**City**”) and for the Agency; and

WHEREAS, in the Request for Proposals bidders were requested to submit bids not later than 11:00 A.M., Eastern Standard Time, Tuesday, February 23, 2021 and such bids were received and opened; and

WHEREAS, the bid of Truist Bank (with a summary of all bids received being attached hereto and made a part hereof as Exhibit A) was the best responsive bid with the lowest true interest cost; and

WHEREAS, after due consideration, it is deemed advisable and in the best interest of the Agency and the City for the Bond be sold to the best bidder with the lowest true interest cost, said bidder having in all respects complied with the terms of the Request for Proposals; and

WHEREAS, the Bond Resolution provides that the Agency will adopt a supplemental resolution prior to the issuance and delivery of the Bond to, among such other provisions as may be required, provide for the actual interest rate on the Bond and otherwise provide for the final terms and provisions of the Bond; and

WHEREAS, it is necessary that the Agency supplement and amend the Resolution by the adoption of this supplemental resolution to accomplish the foregoing.

NOW, THEREFORE, BE IT RESOLVED by the Urban Redevelopment Agency of the City of Statesboro in order to carry out the foregoing purposes, in public meeting lawfully called and assembled, and it is hereby resolved by authority of the same that:

1. Acceptance of Best Bid. The bid submitted for the Bond by Truist Bank, a North Carolina banking corporation, as the best bidder named above with the lowest true interest cost as set forth in said bid shall be and the same is hereby accepted.

2. Authorization of Bond. The Bond is authorized to be issued as a single instrument Bond in the principal amount of \$4,500,000.

3. Interest Rate and Interest Payment Dates. The first paragraph of Section 202(b) of the Bond Resolution is hereby deleted in its entirety and in lieu thereof the following is inserted:

(b) The Bond shall be issued in the principal amount of \$4,500,000, shall bear interest at the rate of 1.470% per annum calculated on the basis of a 360-day year consisting of twelve 30-day months, payable semi-annually on April 1 and October 1 (each an “**Interest Payment Date**”) in each year beginning October 1, 2021. The Bond shall mature on October 1, 2030, and be subject to scheduled mandatory redemption in the years and principal amounts set forth in Section 302 hereof.

Section 202 is hereby further amended by inserting the following provisions at the end of Section 202:

(f) Upon the occurrence of a Determination of Taxability, then, from and after the Date of Taxability, the interest rate used to calculate interest on the Bond, shall be the Taxable Rate, as defined below. After a Determination of Taxability and upon demand of the purchaser of the Bond (which, for purposes of paragraphs (f) through (i) includes the owner of the Bond at the time of any determination under paragraphs (f) through (i) and any prior owner of the Bond) (the “Purchaser”), the Agency shall pay to the Purchaser such additional amount as shall be necessary to provide, together with interest received at the Stated Rate, an equivalent amount as if interest on the Bond shall have been payable at the Taxable Rate from the Date of Taxability.

(g) Upon the occurrence of a Determination of Non-Bank Qualified Status, then, from and after the Date of Non-Bank Qualified Status, the interest rate used to calculate interest on the Bond shall be the Non-Bank Qualified Rate, as defined below. After a Determination of Non-Bank Qualified Status and upon demand of the Purchaser, the Agency shall pay to the Purchaser such additional amount as shall be necessary to provide, together with interest received at the Stated Rate, an equivalent amount as if interest on the Bond shall have been payable at the Non-Bank Qualified Rate from the Date of Non-Bank Qualified Status.

(h) Upon a Determination of Taxability or a Determination of Non-Bank Qualified Status, the Agency shall also pay to the Purchaser upon demand of the Purchaser any taxes, interest, penalties or other charges assessed against or payable by such owner or prior owner and attributable to such Determination of Taxability or such Determination of Non-Bank Qualified Status and all reasonable administrative, out-of-pocket and other expenses incurred by the Purchaser that are attributable to such event, including, without limitation, the costs incurred by the Purchaser to amend any of its tax returns, notwithstanding the repayment of the entire principal amount of the Bond or any transfer or assignment of the Bond.

(i) The following terms shall have the following meanings in this Resolution unless the context otherwise requires:

“Date of Non-Bank Qualified Status” shall mean the earliest date as of which the Bond was not a “qualified tax-exempt obligation” within the meaning

of Section 265(b)(3) of the Code (or any successor provision) pursuant to a Determination of Non-Bank Qualified Status.

“Date of Taxability” shall mean the earliest date as of which interest on Bond shall have been determined to be includable in the gross income of the Purchaser as a result of a Determination of Taxability.

“Determination of Non-Bank Qualified Status” shall mean any determination by the Internal Revenue Service, any federal administrative agency, any court or by the owner of the Bond based upon a written opinion of nationally recognized bond counsel that the Bond is not a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code (or any successor provision).

“Determination of Taxability” shall mean and shall be deemed to have occurred on the first to occur of the following:

(i) on that date when the Agency files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(ii) on the date when the Agency shall be advised in writing by the Commissioner or any District Director of Internal Revenue (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings of the Agency, or upon any review or audit of the Agency or upon any other ground whatsoever, an Event of Taxability shall have occurred; and

(iii) on that date when the Agency shall receive notice from the Purchaser that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of the Purchaser the interest on the Bond, individually or collectively, paid to the Purchaser due to the occurrence of an Event of Taxability;

provided, however, that no Determination of Taxability shall occur under clauses (i) or (ii) above in the definition of Determination of Taxability unless the Agency has been afforded the opportunity, at its expense, to contest any such assessment; and provided further that no Determination of Taxability shall occur until such contest, if made, has been finally determined; and provided further that upon demand from the Purchaser, the Agency shall immediately reimburse the Purchaser for any payments the Purchaser shall be obligated to make as a result of the Determination of Taxability during any such contest.

“Event of Taxability” means the taking of any action by the Agency, or the failure to take any action by the Agency, or the making by the Agency of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of the Bond, which has the effect of causing

interest paid or payable on the Bond to become includable, in whole or in part, in the gross income of the Purchaser for federal income tax purposes.

“Non-Bank Qualified Rate” shall mean a rate of interest per annum equal to 1.57%.

“Stated Rate” shall mean a rate of interest per annum equal to 1.47%.

“Taxable Rate” shall mean a rate of interest per annum equal to 1.85%.

4. Optional Redemption. Section 301 of the Bond Resolution is hereby deleted in its entirety and in lieu thereof the following is inserted:

Section 301. Optional Redemption. The Bond is subject to optional redemption by the Agency, at the option of the City, in whole at any time at a redemption price of par plus accrued interest to the redemption date. The Bond may be optionally redeemed in part by the Agency, at the option of the City, at a redemption price of par plus accrued interest to the redemption date; provided, that such partial optional redemption may only be exercised one time on such date selected by the Agency, and which optional redemption shall be funded solely from proceeds of the Bond that remain upon the Completion Date of the Project (which Completion Date shall be evidenced as provided in Section 4.04 of the Contract). Any such partial redemption shall be credited against the mandatory redemption payments set forth in Section 302 of the Bond Resolution in inverse order for the amount redeemed.

5. Scheduled Mandatory Redemption. Section 302 of the Bond Resolution is hereby deleted in its entirety and in lieu thereof the following is inserted:

Section 302. Scheduled Mandatory Redemption. The Bond is subject to scheduled mandatory redemption prior to maturity in part at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of such redemption on October 1 in the principal amounts and in the years set forth below (the October 1, 2030 amount to be paid at maturity rather than redeemed):

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2021	\$350,000	2026	\$520,000
2022	360,000	2027	530,000
2023	365,000	2028	535,000
2024	370,000	2029	545,000
2025	375,000	2030	550,000

The final principal and interest installment of the Bond shall be payable without any requirement for presentation and surrender of the same at the office of the Paying Agent.

6. **Notice of Redemption.** Section 303 of the Bond Resolution is hereby deleted in its entirety and in lieu thereof the following is inserted:

Section 303. Notice of Redemption. Notice of optional redemption shall be given by the City Representative, on behalf of the Agency, to the registered owner of the Bond at least thirty days prior to the date fixed for redemption by certified mail at the address shown on the bond register of the Bond Registrar.

7. **Redemption Payments.** Section 304 of the Bond Resolution is hereby deleted in its entirety and in lieu thereof the following is inserted:

Section 304. Redemption Payments. The Bond or portion thereof called for redemption, together with the accrued interest thereon shall become due and payable to the registered owner on the redemption date and shall cease to bear interest from and after the redemption date and payment of the redemption price. Upon full redemption or maturity of the Bond, the same shall be surrendered to, and cancelled by the Bond Registrar.

8. **Application of Bond Proceeds.** Section 511 of the Bond Resolution is hereby deleted in its entirety and in lieu thereof the following is inserted:

Section 511. Application of Bond Proceeds.

(a) The proceeds from the sale of the Bond in the amount of \$4,500,000, shall be applied as follows:

(i) all Costs of Issuance of the Bond, estimated in the amount of \$80,000, shall be paid at closing directly to those persons who shall be entitled to the same, or a portion of the proceeds estimated to be sufficient to pay all or a portion of the Costs of Issuance may be deposited in a Costs of Issuance Account to be created by the Agency and disbursed in accordance with Section 512 hereof; and

(ii) the balance of the proceeds of the Bond, estimated in the amount of \$4,420,000, shall be deposited into the Construction Fund for use in payment of the costs of the Project.

9. **Default; Events of Default.** Section 801 of the Bond Resolution is hereby deleted in its entirety and in lieu thereof the following is inserted:

Section 801. Defaults; Events of Default. If any of the following events occur, it is hereby declared to constitute an "Event of Default":

(a) default in the due and punctual payment of the principal on the Bond when and as the same shall become due and payable, whether at maturity, redemption, or otherwise; or

(b) default in the due and punctual payment of any installment of interest on the Bond when and as such interest installment shall become due and payable; or

(c) default in the performance or observance of any other of the covenants, agreements, or conditions on the part of the Agency in this Resolution or in the Bond contained and failure to remedy the same within 30 days after written notice specifying such default and requiring the same to be remedied shall have been received by the Agency and the City from the Bondowner; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, within a greater number of days if corrective action is instituted by the Agency or the City within the applicable period and diligently pursued until the default is corrected; or

(d) the dissolution or liquidation of the City or the Agency or the voluntary initiation by the City or the Agency of any proceeding under any law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against the City or the Agency of any such proceeding which shall remain undismissed for 60 Business Days, or assignment by the City or the Agency for the benefit of creditors, or the entry by the City or the Agency into an agreement of composition with creditors or the failure generally by the City to pay its debts as they become due; or

(e) the occurrence and continuance of any event of default as described in Section 8.01 of the Contract.

10. Designation of Custodian. The Agency hereby designates Branch Banking and Trust Company (also known as “Truist Bank”), Statesboro, Georgia, as Debt Service Fund Custodian and hereby names Branch Banking and Trust Company, Statesboro, Georgia, to hold the funds in the Construction Fund.

11. Reaffirmation of Bond Resolution. Except as specifically supplemented and amended by the provisions of this First Supplemental Bond Resolution, the Bond Resolution is hereby reaffirmed and shall continue in full force and effect.

APPROVED AND ADOPTED this March 2, 2021.

URBAN REDEVELOPMENT AGENCY OF
THE CITY OF STATESBORO

By: _____
Chairman

Exhibit A

SUMMARY OF ALL BIDS RECEIVED

[See attached]

Urban Redevelopment Agency of the City of Statesboro, Georgia - Revenue Bond, Series 2021

	Interest Rate	Prepayment Provisions	Lender Counsel Fee
Bank United	2.40%	Callable in whole at any time beginning October 1, 2025	\$12,500
Capital One	1.95%	Callable in whole at any time beginning October 1, 2026	Not Specified
JP Morgan Chase	1.87% ⁽¹⁾ / 1.82% ⁽²⁾	(1) Callable in whole or in part at any time beginning October 1, 2026 (2) Non-Callable	\$5,000
Key Bank	1.64%	Callable in whole or in part at any time beginning March 11, 2022	No Fee
Morris Bank	1.73%	No Prepayment Penalty	Not Specified
Queensborough Bank	1.60%	No Prepayment Penalty	No Fee
Sterling Bank	1.69%	Years 1-3: Non-Callable Years 4-5: 101% prepayment penalty After 6 Years: No prepayment penalty	Not Specified
Synovus Bank	1.75%	Prepayable in whole or in part at par at any time without penalty	\$7,500
Truist Bank	1.47%	Prepayable in whole at par at any time without penalty	\$7,500
Zions Bank	1.51%	Prepayable in whole or in part at par at any time without penalty	No Fee

SECRETARY'S CERTIFICATE

The undersigned Secretary of the Urban Redevelopment Agency of the City of Statesboro (the "Agency") DOES HEREBY CERTIFY that the foregoing constitutes a true and correct copy of a resolution adopted on March 2, 2021, by a majority of the entire membership of the Agency in a meeting duly called and assembled and open to the public at which a quorum of members was present and acting throughout, and that the original of said resolution appears of record in the minute book of the Agency, which is in my custody and control.

(S E A L)

Secretary

City of Statesboro, Georgia

Series 2021 Revenue Bond

RFP Results Presentation

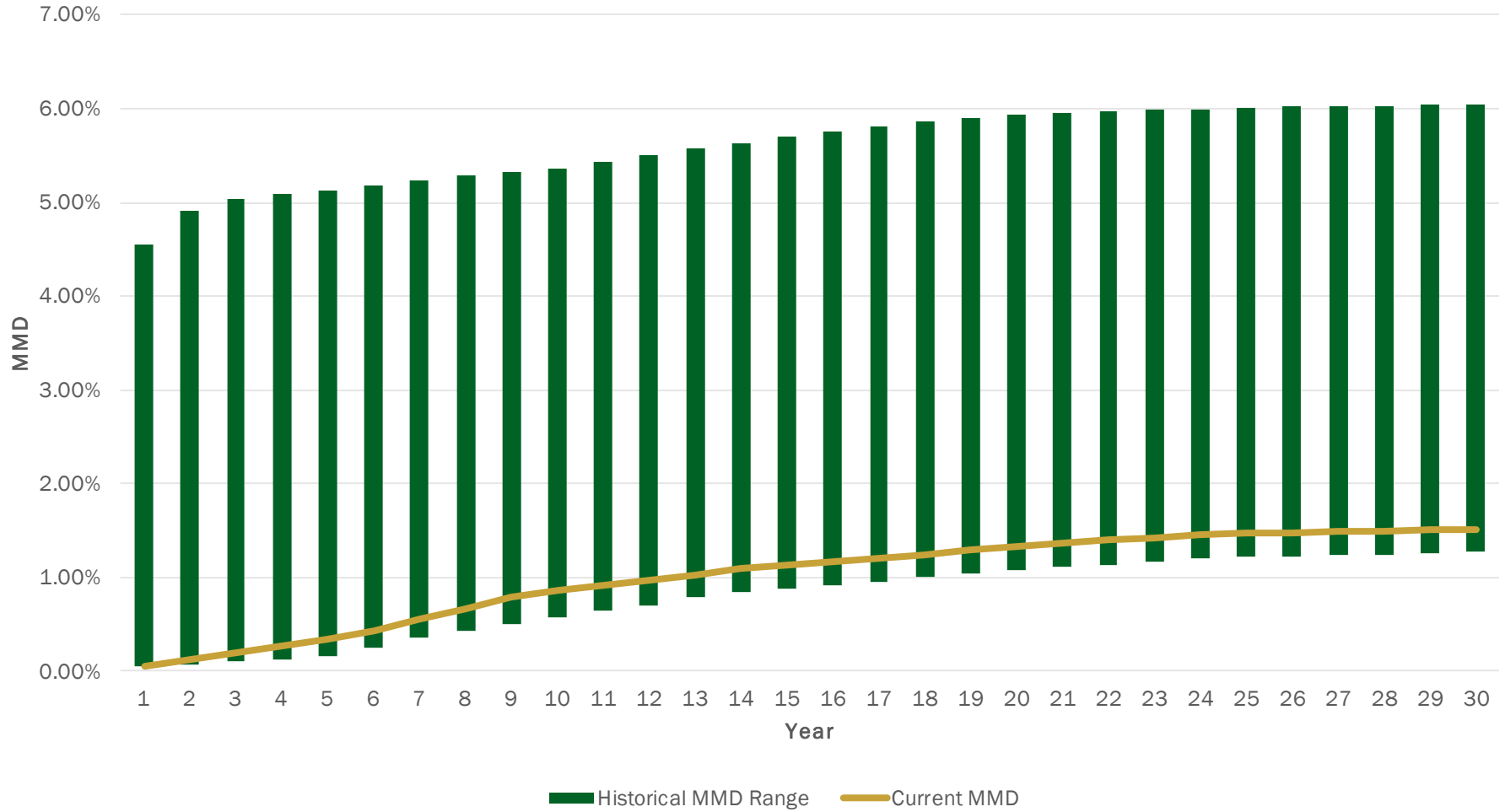


March 2, 2021

Tax-Exempt Interest Rate Range Since 2000

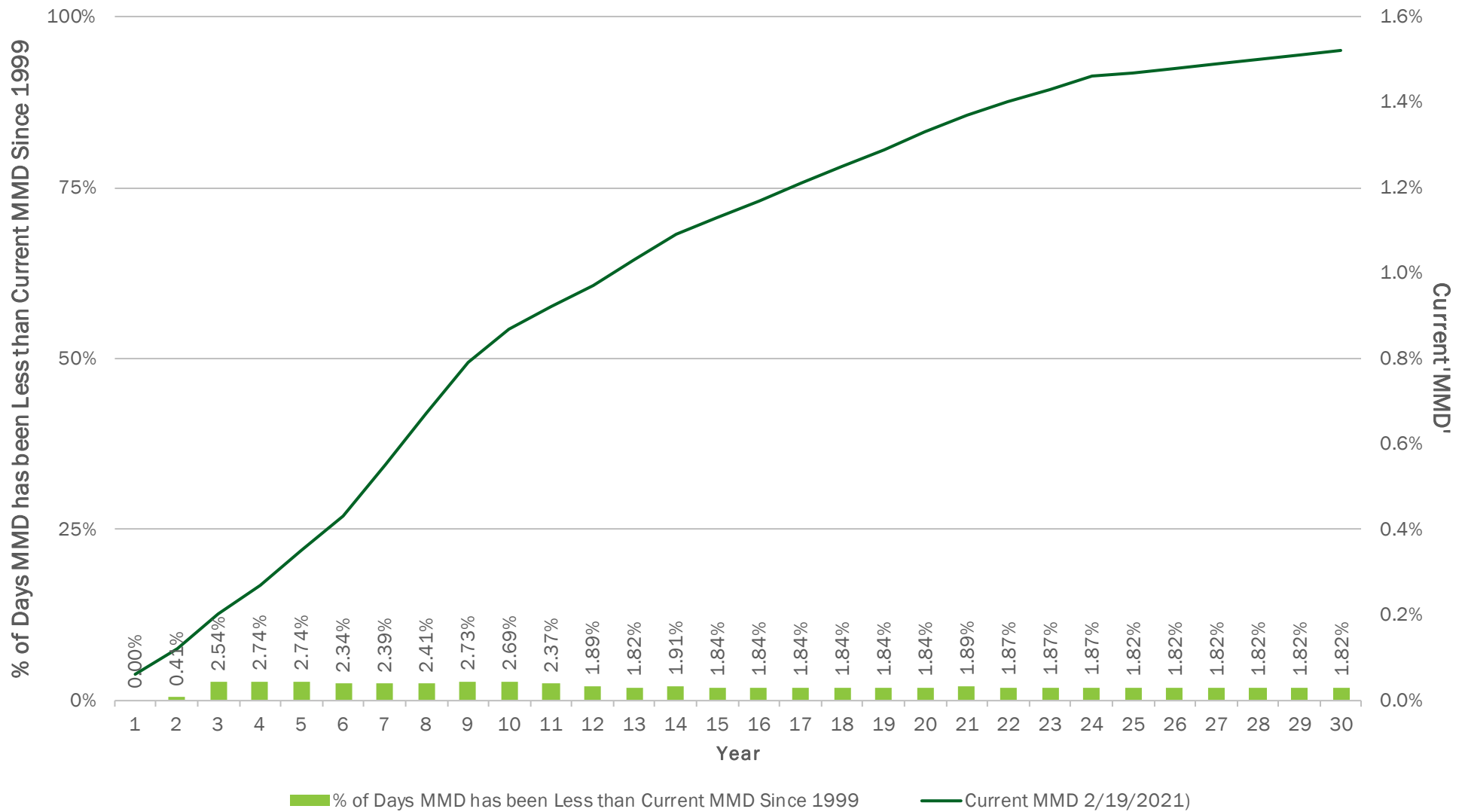


Historical AAA Tax-Exempt Rates Range (2000 - 2021)



Source: Thomson MMD Publication.
AAA MMD as of February 19, 2021.

Tax-Exempt Interest Rates - % time Rates Have Been Lower (Since 1999)



Source: Thomson MMD Publication.
AAA MMD as of February 19, 2021.

Request for Proposals Solicitation



- On Wednesday, February 3, 2021, Davenport & Company, in our capacity as financial advisor to the City of Statesboro (the “City”) distributed a Request for Proposals (“RFP”) to over 25 local, regional, and national lending institutions for the purpose of obtaining a commercial loan evidenced by the Urban Redevelopment Agency’s Revenue Bond, Series 2021.
- On Tuesday, February 23, 2021 Davenport received 10 proposals from the following lending institutions which have been summarized below.

Bank United (2.40%)	Capital One (1.95%)	J.P. Morgan Chase (1.82%)	Key Bank (1.638%)	Morris Bank (1.73%)
Queensborough National (1.60%)	Sterling National (1.69%)	Synovus (1.75%)	Truist (1.47%)	Zions Bank (1.51%)

Summary of Top Proposal



Truist Bank

Series 2021 Revenue Bond

Amount: \$4,500,000

Term 10 Years

Rate: 1.47%
(Fixed until Final Maturity)

Prepayment: Prepayable in whole at par at
anytime*

Bank Fees: \$7,500

Closing Date: March 11, 2021

Truist Bank provided the lowest interest rate and allowed for prepayment flexibility.

*Note: The documents allow for a one-time prepayment to apply any surplus funds towards the repayment of the bond.

Final Debt Service



City of Statesboro, Georgia						
10 Year Debt Service @ 1.47% - Series 2021 Bond						
Year	Principal		Interest		Total	
2022	\$	350,000	\$	67,253	\$	417,253
2023		360,000		58,359		418,359
2024		365,000		53,030		418,030
2025		370,000		47,628		417,628
2026		375,000		42,152		417,152
2027		520,000		35,574		555,574
2028		530,000		27,857		557,857
2029		535,000		20,029		555,029
2030		545,000		12,091		557,091
2031		550,000		4,043		554,043
Total	\$	4,500,000	\$	368,015	\$	4,868,015

Recommendation & Rationale



- Davenport recommends that the Urban Redevelopment Agency / City accept the 1.47% bid from Truist Bank to finance the Series 2021 Revenue Bond. This recommendation is based upon the following:
 - The 1.47% Bid from Truist Bank was the lowest rate among all options;
 - Allows for prepayment, in whole, at anytime prior to maturity without penalty or premium;
 - The interest rate was fixed between the proposal’s due date and the adoption of the bond resolution;
 - The interest rate is fixed until final maturity, eliminating any future interest rate risk; and,
 - Minimal closing costs.

Next Steps



Date	Action
February 3, 2021	✓ Davenport Distributed Request for Proposals to Local, Regional and National Banking Institutions
Balance of February	✓ Davenport communicates with potential lenders
February 23, 2021	✓ Davenport Received Responses to the Request for Proposals
March 2, 2021	Davenport presents RFP results/recommendation. Urban Redevelopment Agency / City Council adopts supplemental bond resolution and other necessary financing documents.
March 8	Validation Hearing
March 11, 2021	Close on Series 2021 Bond

Contact Information

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