

Maturities of principal (amounts expressed in thousands) are as follows:

Years ending <u>June 30,</u>	<u>Amount</u>
1988	\$ 1,805
1989	1,905
1990	2,015
1991	2,150
1992	2,290
1993 and thereafter	<u>191,760</u>
	<u>\$201,925</u>

The serial bonds maturing after July 1, 1995 are subject to redemption, at the Authority's option, beginning July 1, 1995. The redemption prices range, as a percentage of the principal amount, from 100% to 102%. The bonds maturing July 1, 2016 are subject to redemption, at the Authority's option, beginning July 1, 1995 at a redemption price of 100%. A portion of the bonds maturing on July 1, 2005, \$22,480,000, are subject to redemption beginning in 2001. A portion of the bonds maturing July 1, 2015, \$97,870,000, are subject to redemption beginning in 2006. The principal amortization requirements range from \$4,930,000 to \$14,975,000 per year.

In compliance with the Trust Agreement dated December 1, 1985 underlying the Transportation Facilities Projects Revenue Bonds, Series 1985, the Authority has established restricted accounts in the aggregate amount of \$161,460,000 for the payments of debt service related to the revenue bonds, major maintenance, project requirements and improvements, betterments or enlargements or capital additions. Assets consisting of cash and short-term investments, \$6,357,000; investments, \$171,797,000; less current accounts payable, \$22,908,000 have been restricted for such purposes.

In December 1985, the Authority placed in escrow \$85,625,000 from the 1985 revenue bonds and approximately \$4,972,000 from other funds. These deposits were used to purchase U.S. Government Securities with appropriate maturities such that the securities, together with interest accruing thereon, would service the previously outstanding debt of \$115,495,000, along with \$3,500,000 of accrued interest, thereby defeasing it. Accordingly, these escrow funds and the related liabilities for the refunded bonds are not recorded in the financial statements. At June 30, 1987 the refunded bonds outstanding were \$114,315,000.

In August 1981, the Authority entered into an agreement with the City of Baltimore to finance the non-Federal share (approximately \$78,000,000) plus related interest of approximately \$31,000,000, associated with the construction of the Fort McHenry Tunnel. The Authority placed approximately \$96,000,000 from the 1985 bond issuance into an escrow account to cover these costs and expects to recover its costs through future net toll revenues of the tunnel.

Maryland Environmental Service (Service):

Revenue Bonds:

The Service has issued revenue bonds for the construction of certain projects. The bonds bear interest at rates ranging from 5% to 57% of prime, not to exceed 10.5% and are collateralized by the assets and revenues of the projects and any other revenues of the Service that are not otherwise pledged. All rights, title and interest in the related property, plant and equipment remains with the Service until expiration or completion of the project and repayment of the revenue bonds. Thereafter, title to the assets passes to the governmental unit served by the projects. Maturities of principal (amounts expressed in thousands) are as follows:

Years ending <u>June 30,</u>	<u>Amount</u>
1988	\$ 741
1989	744
1990	746
1991	748
1992	751
1993 and thereafter	<u>5,282</u>
	<u>\$9,012</u>