

MARYLAND STADIUM AUTHORITY



1997 ANNUAL REPORT

PARRIS N. GLENDENING
Governor

AUTHORITY MEMBERS

John A. Moag, Jr.
Chairman

John Brown, III
William R. Brown, Jr.
William K. Hellmann
Dennis C. Murphy
Joshua I. Smith
W. Robert Wallis

Bruce H. Hoffman
Executive Director

Carol Salmon
Editor

MARYLAND STADIUM AUTHORITY

1997 ANNUAL REPORT

Maryland Stadium Authority
The Warehouse at Camden Yards
333 West Camden Street, Suite 500
Baltimore, Maryland 21201

Telephone (410) 333-1560
FAX (410) 333-1888
INTERNET: MSA@MDSTAD.COM

DEDICATED TO THE MEMORY OF

ALLEN CASSELL

**Devoted Employee of the
Maryland Stadium Authority**

March 4, 1992 - August 9, 1997

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MARYLAND STADIUM AUTHORITY

PARRIS N. GLENDENING
GOVERNOR



BRUCE H. HOFFMAN, PE.
EXECUTIVE DIRECTOR

THE WAREHOUSE AT CAMDEN YARDS
333 WEST CAMDEN STREET, SUITE 500
BALTIMORE, MARYLAND 21201-2345
(410) 333-1560 FAX (410) 333-1888

MEMBERS

JOHN A. MOAG, JR.
CHAIRMAN

JOHN BROWN, III
WILLIAM R. BROWN, JR.
WILLIAM K. HELLMANN
DENNIS C. MURPHY
JOSHUA I. SMITH
W. ROBERT WALLIS

TO THE GOVERNOR AND MEMBERS OF THE MARYLAND GENERAL ASSEMBLY

We are pleased to present the Eighth Annual Report prepared by the Maryland Stadium Authority for the 1997 calendar year, a period that has been a productive one for our agency.

Progress on the new Camden Yards football stadium has continued in a smooth and efficient manner enabling us to be slightly ahead of schedule as the calendar year ended. Another season of professional football was completed at Memorial Stadium. Renovation of the original portion of the Baltimore Convention Center was successfully completed enabling the entire facility, original and expanded, to be utilized regularly throughout the year. Completion of the expansion of the Ocean City Convention Center was celebrated with an opening gala and ribbon-cutting in early December marking the conclusion of another successful project by the Stadium Authority. Oriole Park at Camden Yards continued to be the center of activity for baseball and other exciting events.

In 1998, our focus will be on the completion and opening of Maryland's new National Football League stadium at Camden Yards, continuing the smooth operation of the ballpark and undertaking new challenges. We look forward to working with you once again.

Sincerely,

Handwritten signature of John A. Moag, Jr.

John A. Moag, Jr.
Chairman

Handwritten signature of Bruce H. Hoffman.

Bruce H. Hoffman
Executive Director

CAMDEN YARDS UPDATE

The 1997 calendar year began and ended on a high note for the Maryland Stadium Authority and Camden Yards.

Improvements to the Warehouse at Camden Yards continued. The number of tenants in the Warehouse continued to increase with MSA managing the fit-out of areas developed for new occupants. Approximately 23,000 square feet of space was leased in 1997, including additional space to Waverly which already occupied 72,000 square feet of space in the Warehouse, and to Central Parking Systems, the parking management firm for operations at Oriole Park at Camden Yards. This leaves only about 14,500 square feet of space remaining available for occupancy. Approximately \$1.2 million in build-outs (improvements to the facilities) were invested in The Warehouse at Camden Yards in 1997.

The Stadium Authority's principal tenant, the Baltimore Orioles, continued to bring national attention to Camden Yards. Making the team's second straight trip to the play-offs, the Orioles were only the third American League team and the sixth in the history of Major League Baseball to remain in first place from their first game through the last game of the regular season. Throughout this exciting year, the Orioles had less than 100 fielding errors, allowed the fewest runs in the American League (681), played the longest nine-inning game (4 hours, 22 minutes) in Major League history, and sent four players to the 1997 All Star Game in Cleveland.



Oriole Park at Camden Yards

The Maryland Stadium Authority was equal to the challenge of operating the ballpark in a manner befitting the Orioles baseball team. Faced with an increasing number of fans, a mysterious black-out of a bank of lights and a series in September when five separate baseball games were played within 48 hours, MSA's employees were equal to the task and able to promptly respond to emergencies and maintain the ballpark at the high standards established at the ballpark's opening.

Attendance at Oriole Park at Camden Yards continued to grow. For the third year in a row, the Orioles led the American League in attendance with a franchise record of 3,711,132 fans, exceeding the attendance in 1996 by 64,000. Five post-season games brought this figure to more than 3.9 million. In the six seasons at Oriole Park at Camden Yards, the Orioles have drawn more than 20 million fans, a feat that took 22 seasons to accomplish at Memorial Stadium.

More than baseball fans flocked to Camden Yards during 1997. From January through September, approximately 61,500 fans took tours of the ballpark at Camden Yards, more than had visited throughout all of 1996. Since its opening in 1992, more than 277,000 visitors have toured the ballpark.

The ballpark also attracted other than baseball fans. Representatives from cities seeking to equal the success that we have enjoyed visited Oriole Park at Camden Yards in 1997. Officials from San Francisco, Phoenix, Cincinnati, Seattle, San Diego, Los Angeles, Cleveland, Pittsburgh and Philadelphia have contacted the Maryland Stadium Authority for information on financing, design and operation of the most successful ballpark in America.



Groups continue to flock to Oriole Park at Camden Yards for behind-the-scene tours

During 1997 the process for the re-design and renovation of the suites and Club Level of Oriole Park at Camden Yards began. When fans return for the 1998 baseball season they will find a warmer, more intimate feel on the Club Level and in the suites.

An ice storage tank was installed beneath the North Warehouse Parking Lot. This four-month project to install the privately-funded cooling system to serve several businesses in the downtown area was coordinated by the Stadium Authority.



The wrecking ball begins demolition of Hammerjacks

Acquisition of the last properties needed to complete the 85-acre Camden Yards site was accomplished in 1997. Lee Furniture, Greenbaum Kitchens, the property at 1131 South Howard Street and the Hammerjacks nightclub were all acquired during this year in conjunction with the construction of the new National Football League (NFL) stadium at Camden Yards.

Oriole Park at Camden Yards continued to be the "in-spot" for non-game events in the Baltimore area. More than 350 events were held in The Warehouse

at Camden Yards and other facilities of the ballpark. Although most parking lot events were curtailed due to construction of the new NFL stadium, some of our "regular" events were able to be held. The AFRAM Festival and Hoop-It-Up were held on the Camden Yards site.



The National Association of Counties was one of several organizations availing themselves of the facilities at Camden Yards.

In addition to the "public" accomplishments at Camden Yards, the Maryland Stadium Authority achieved in-house successes as well. We again made generous contributions to the Maryland Charity Campaign, donated the proceeds of our "Casual Friday" funds to a local shelter and initiated and managed the first tenant-oriented blood drives at The Warehouse at Camden Yards. In the two blood drives held in 1997, tenants throughout the building including ARAMARK, Barton Malow, CS&D, Central Parking, DAS, DIABETEX, Inc., Harry M. Stevens, the Orioles, Flagship Health, Waverly, UMMS and MSA collected nearly 140 productive units of blood, an amount sufficient to benefit almost 500 patients. We earned the "Rookie of the Year" award for our first campaign in April and plan to continue the program in the years to come.



MSA employees joined other tenants of The Warehouse at Camden Yards at the first-ever blood drive.

Another special event in 1997 was the presentation of a commemorative plaque marking Camden Yards as the site of a bivouac camp of French troops under the command of General Count de Rochambeau in 1781 and 1782 in his marches to and from Yorktown in support of our Revolutionary War Troops. This special ceremony was sponsored by the French Ambassador to the United States, the American Society of Le Souvenir Francais, the Sons and Daughters of the American Revolution and the Stadium Authority. A memorial wreath for the 63 French soldiers who died at Camden Yards from their Revolutionary War wounds was presented by Brigadier General Jean Francois Louvion, the French military attache to the United States.



Brigadier General Louvion presents commemorative plaque at Camden Station

MEMORIAL STADIUM

The 40+ year old Memorial Stadium has continued to be the center of activities for Baltimore's new NFL team, the Ravens. During 1997, the last of two seasons that the Ravens played there before moving to their new home at Camden Yards, Memorial Stadium was host to nearly 1 million football fans. Functioning well considering its age and lack of funds for improvements and maintenance, the future of Memorial Stadium will be decided in the near future. Officials of the Maryland Stadium Authority have continued their work with representatives of the Baltimore City government and the Memorial Stadium Task Force on potential re-development plans for this site.

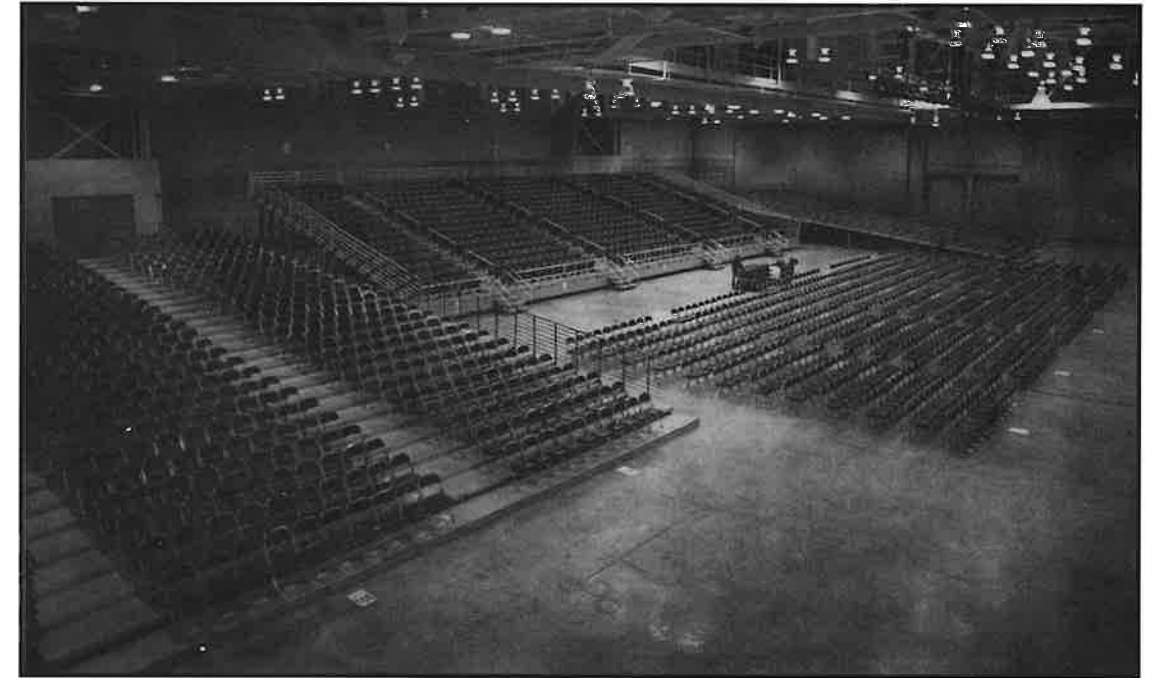
In addition to the activities associated with the Ravens' games, Memorial Stadium has been the site of many exciting events during 1997. The traditional high school football games between City / Poly and Loyola / Calvert Hall were held in the stadium. An international, world class soccer game between the national teams of the United States and Ecuador and the college lacrosse match-up between Loyola and Syracuse also attracted fans.

Numerous other charity and local events were held on the site of Memorial Stadium including;

- American Legion War Memorial Program
- Medical Eye Bank Christmas Tree Sale
- Cancer Society's Fun Run and Walk
- Baltimore Hazardous Waste Collection
- Govans Presbyterian Church Crop Walk
- Baltimore City Police Safety Driving School
- Pets on Wheels Marathon
- A&M Logistix Ride & Drive
- Food Bank Walk-A-Thon
- AIDS Walk
- Alzheimer's Disease Walk

The parking facilities of Memorial Stadium were also utilized by the Baltimore Museum of Art in conjunction with a major exhibit and by a variety of community and neighborhood groups for clean-up efforts and as staging locations for assorted activities.

OCEAN CITY CONVENTION CENTER



Newly Expanded Ocean City Convention Center

The Maryland Stadium Authority successfully completed another project in 1997 - the expansion of the Ocean City Convention Center - ready for the first exhibition in early October!

This \$32.7 million project increased exhibition space by 50,000 square feet and meeting room space by 25,000 square feet. The exhibition space in the original convention center was converted into a new ballroom.

The Ocean City Convention Center project was a partnership between the Maryland Stadium Authority and representatives of the Town of Ocean City. Gary A. McGuigan of the Stadium Authority functioned as Project Manager. The success of the project was dependent upon the close working relationship that was developed with the construction management firm, a joint venture of Hardin Construction Group, Inc., an Atlanta firm

and SPN, Inc., a Rockville, Maryland company. The architectural design team, Rosser International, is also based in Atlanta.

As was the case with the expansion of the Baltimore Convention Center, the Ocean City facility was kept in operation during construction. This necessitated refurbishment of the original portion of the Center in many small segments. In some instances work in an area began during the week, halted for a weekend function and re-started when the exhibitors' show was completed.

In addition to expanding available space for meetings and exhibits, many improvements were made to the Convention Center. The use of partitions will permit the three main halls to be subdivided into six rooms thus providing maximum flexibility for hosting multiple shows in the facility. The meeting rooms

are also able to be sub-divided with operable partitions. The exhibit hall was designed to permit expansion on the north side of the Convention Center if needed in the future by up to 30,000 square feet.

Special design innovations were also incorporated to reflect the Convention Centers' natural surroundings in Ocean City. Unlike the original center, steps were taken to increase the visitor's awareness of Assawomen Bay which is immediately adjacent to the west side of the Convention Center. An indoor/outdoor patio, separated by a glazed wall, provides a smooth transition between the building and the Bay. A seaside theme is carried out throughout the Convention Center with the Visitor Center being designed in the shape of a light house. Exterior canopies are shaped like sails as is the ceiling design in the main corridor. Compass designs are woven into the carpet in both the Visitors' Center and in the terrazzo at the main entrance.

All functional areas of the Ocean City Convention Center were completed by October 2, 1997 and the facility had its official ribbon-cutting and gala in early December. The formal event marking the official opening of the Roland E. Powell Convention Center included approximately 500 guests including Governor Glendening, State officials, members of the Maryland General Assembly, representatives of the Town of Ocean City and numerous local business people.



A Gala Celebration Marked the Opening of the Ocean City Convention Center. (Left to Right) Kathy Mathias, Jeannie Powell, Roland "Fish" Powell, Governor Parris Glendening, James Mathias

Ceremonies provided an opportunity for guests to receive a thorough tour of the entire Convention Center.



The ribbon cutting officially opened the new Ocean City Convention Center.

A new kitchen for the Convention Center was still under construction at year's end. The new kitchen, which will include all modern amenities and be able to accommodate any needs of future exhibitors, will be completed in March, 1998.

As has been the case with all projects undertaken by the Maryland Stadium Authority, extensive outreach efforts were

made to attain significant minority business enterprise (MBE) participation in this project. The Stadium Authority achieved its goal of 14 percent MBE participation. As a result of MSA's involvement in this project, the Eastern Shore Contractors Association presented the Stadium Authority with a plaque recognizing its efforts in promoting MBE and small business participation in the project.

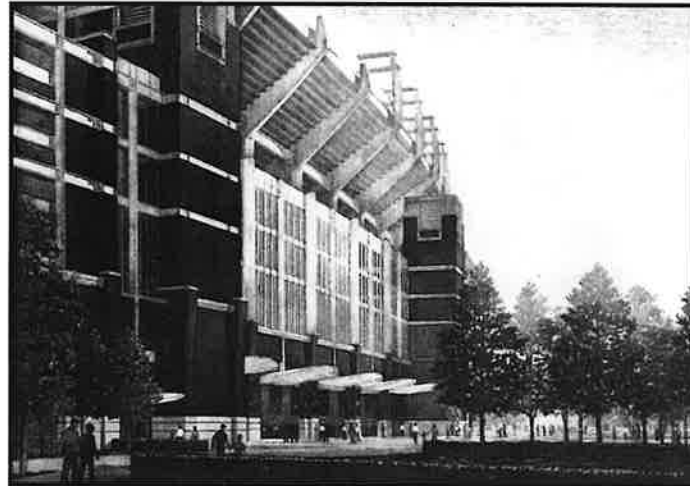
Being located some distance from the metropolitan area, substantial efforts were required to encourage participation by Maryland firms. Again, these efforts were successful and 80 percent of the contracts awarded for this project were issued to Maryland companies.

The restored and expanded Ocean City Convention Center promises to be of significant economic benefit to both the Town of Ocean City and the State of Maryland. This partnership between state and local government has already produced increased bookings for the

Convention Center including 42 new groups, many of which have committed to multi-year contracts with an overall economic impact of approximately \$69.3 million. About 161,000 conventioners are expected to visit the new facility in 1998. By the Year 2000, it is anticipated that the Ocean City Convention Center will create 1,800 jobs and produce \$72 million a year from visitor spending. As a result of the expanded facility, five local hotels are planning upscale renovations and an increase of 500 rooms. In addition, a new 200-room conference hotel is also being planned.

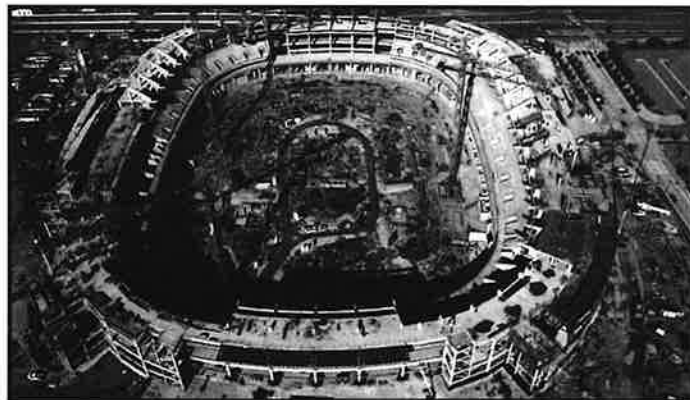
The Ocean City Convention Center Expansion Project, headed by Gary McGuigan for the Stadium Authority and Terry McGean, City Engineer for the Town of Ocean City, continued the Stadium Authority's tradition of completing its undertaking on time and within budget. In fact, this project was completed with nearly \$1 million remaining in State financing.

NATIONAL FOOTBALL LEAGUE STADIUM AT CAMDEN YARDS



Artist Rendering of NFL Stadium at Camden Yards

The 1997 Calendar Year has been exciting and productive as the new National Football League (NFL) stadium took shape. Led by Alice M. Hoffman, project manager, work on the stadium construction project has proceeded at record speed since the groundbreaking in July, 1996. All members of the design and construction team, under the guidance of the architects, HOK, Inc., and the construction management team, Whiting Turner/Barton Malow/Essex, have brought enthusiasm, knowledge and experience to this project.



Site Photograph of NFL Stadium at Camden Yards
(October, 1997)

Early in 1997 work was concentrated on completing pile driving and installing foundations. Next, placing the concrete columns and slabs on grade, installing the

crane rail, and activities involving waterproofing and backfilling the foundation walls began. Cast-in-place and precast beams were completed on the Main Concourse and Club Level and precast decks completed on the Press and Club Levels of the stadium.

In early April, tower cranes reaching 270 feet into the air were brought to the site which afforded the Stadium Authority an opportunity to brief the media on stadium progress up to that point. Ravens' Banners were unfurled atop the cranes while Stadium Authority Chairman, John Moag, and Executive Director, Bruce Hoffman, provided a site tour for Ravens' owner, Art Modell, head coach, Ted Marchibroda, and other team representatives.



John Moag, MSA Chairman, briefs the media on stadium progress.

Ravens' Head Coach, Ted Marchibroda, reacts to stadium design plans as (left to right) Art Modell, John Moag and Bruce Hoffman observe.



Acquisition of the final properties located on the Camden Yards footprint was completed. In May, Hammerjacks, a part of Baltimore's social life for more than 15 years, was demolished paving the way for additional parking facilities for both the

Orioles and the Ravens. Hammerjacks was housed in an historic wood and brick structure built in the mid-1800's for the Heurich Brewery. As the home for Hammerjacks, the building was host to crowds of 1,000 on weekdays and 5,000 on weekend nights. The property will now provide parking for 950 vehicles.

Planned to complement the appearance of Oriole Park at Camden Yards, brick is a major design feature of the new NFL stadium. Supplied by the L & L Supply Company of Lutherville, Maryland, and installed by the Baltimore/Banner Masonry Joint Venture, more than 1.2 million bricks will be used for the stadium. Brick installation will involve more than 140 skilled tradesman and take approximately ten months to complete.



Roland Slimmer places the first of 1.2 million bricks to be used in the construction of Baltimore's new NFL stadium.

The extremely dry summer contributed to the stadium's construction being ahead of schedule. Precast beams were set, seating bowl risers positioned and the concrete flowed smoothly. The superstructure, including the steel rakers (integral elements of the stadium design and structural support), was completed in 1997. The 54 rakers weighed up to 35 tons and were installed by the Baltimore joint venture, Forti/Poole & Kent/NAMCO.

Late in 1997, the first of nearly 69,000 stadium seats were unveiled. The majority of the seats in the seating bowl (approximately 59,000) will be dark purple in color. About 8,000 seats on the Club Level will be silver/gray. Castered chairs will be placed in the 108 suites and 704 wheelchair-accessible spaces and companion seats also will be a part of the stadium seating. At year's end, seat installation was underway and expected to be completed in the Spring of 1998.



The first of nearly 69,000 stadium seats.

Since beginning it's first project in 1989, the Maryland Stadium Authority has been committed to ensuring that opportunities exist for a broad spectrum of the population. Minority contractors have been active participants on the NFL stadium project and commitments of 24 percent were in place at year's end. MSA's MBE goal for this project is 23 percent.

The project management team, working with *Employ Baltimore*, a Baltimore City employment organization, and C.U.R.E. (Clergy United for Renewal in East Baltimore) successfully implemented a program to connect local disadvantaged job seekers with contractors. This program has placed 35 individuals in positions with a number of contractors on the project.

These positions enable individuals who may not otherwise have had the opportunity to become apprentices, learn specific skills and launch themselves into what can become a successful career. Labor unions have participated in this program by enrolling these individuals in apprenticeship programs.



Solo Gibbs Recreation Center - "Before"



Solo Gibbs Recreation Center - "Before"



Solo Gibbs Recreation Center Improvements Being Made by Poole & Kent



Improvements to Solo Gibbs Recreation Center include tile replacement by David Allen

Stadium contractors have also pledged their time, materials and know-how to improvements for the renovation of the Solo Gibbs Recreation Center located in the Sharpe-Leadenhall community, immediately adjacent to the stadium site. Poole & Kent (new HVAC and fountain), Shockey Construction (new tables and benches), Clark Construction Company (fence repair), Enterprise Electric (new wiring and HVAC wiring), The David Allen Tile Company (new tile floors throughout) and LCM Woodworking (new cabinets) are among the firms making contributions to providing a better environment for our neighbor's children as they participate in programs run by the Baltimore Police Department Division of Youth.

The dedication and enthusiasm of the design and construction management team will provide a stadium of which everyone will be proud. For example, the advance planning and attention to detail will result in a stadium with seats in colors that perfectly reflect the pride we have in our new NFL team. Less obvious items, such

as the electrical outlets in the suites which are designed and installed so they do not compete with the suite finishings and furnishings, are placed so they are functional but not obtrusive. Re-sequencing the concrete work to allow earlier access to finish spaces provided adequate time for careful pouring of the concrete. This should preclude cracking of the concrete, especially in the highly-travelled public areas.

With approximately 95 percent of the stadium construction contracts issued by year's end, the project has provided excellent employment opportunities. During the peak construction period, 950 workers were employed on the site. While this number has risen and dropped throughout the project, it is anticipated that at least this many individuals again will be working on the site early in 1998. Economic benefit predictions remain strong for Baltimore's new NFL stadium and it is expected to exceed revenue projections and design expectations just as Oriole Park at Camden Yards did.

FINANCIAL REPORT

The fiscal year which ended on June 30, 1997 was another financially successful year for the Maryland Stadium Authority. Once again, our outside auditors, Coopers & Lybrand, LLP, issued an unqualified opinion on the Authority's financial statements. Financial highlights for Fiscal Year 1997 included:

- o A \$10 million increase in revenues from sources other than the lottery. The bulk of this increase is attributable to admissions taxes which grew due to revenues from football ticket sales.
- o An increase in total assets of more than \$20 million.
- o An increase in our fund balance of \$24 million.

The Authority's outstanding bond indebtedness totaling \$305,100,000 remained approximately the same as last year.

TOTAL OUTSTANDING BONDS (JUNE 30, 1997)

Football Lease Revenue	1996 Series Bonds	\$87,565,000
Ocean City Lease Revenue	1995 Series Bonds	17,340,000
Baltimore Convention Center	1994 Series Bonds	55,000,000
Baseball Sports Facilities		
Lease Revenue	1989 Series D Bonds	128,485,000
Lease Revenue	1989 Series ABC Notes	<u>16,710,000</u>
	TOTAL	305,100,000

INTO THE FUTURE

The success that the Maryland Stadium Authority has enjoyed in all of its undertakings has resulted in a growing confidence in our abilities on the part of the Governor, State officials, members of the Maryland General Assembly and representatives of both public and private entities. Our success with Oriole Park at Camden Yards, for example, led to our involvement in the expansion of the Baltimore Convention Center and the Ocean City Convention Center. Our progress on the new NFL stadium is already drawing praise from those who work with us and those who observe our progress.

Our proficiency in working with political sub-divisions has opened up an assortment of possibilities for future projects. The Stadium Authority has been called upon to conduct feasibility studies in several areas throughout the State and is having conversations with new organizations about assisting them in the future. MSA will continue its efforts with Montgomery

County on a future conference center, with the University of Maryland on a new or restored arena and with other subdivisions on the possibility of building a NASCAR track.

Plans for the immediate future should involve the Stadium Authority in the development of Camden Station as the home for both the Babe Ruth Museum and a commercial restaurant designed and developed to complement the activities at Camden Yards. The development of the area between the baseball park and football stadium for an entertainment center or other activity will also receive our attention as will finalizing alternatives to expand parking opportunities at and around Camden Yards.

During the first ten years of our existence, the board and staff of the Maryland Stadium Authority have worked diligently to develop the excellent reputation that we now enjoy. We will continue our efforts to maintain this status in the future.

MEMBERS OF THE MARYLAND STADIUM AUTHORITY



JOHN A. MOAG, JR.
Chairman

John A. Moag, Jr. was named Chairman of the Maryland Stadium Authority on February 17, 1995. A graduate of Loyola High School and Washington College, Mr. Moag undertook special studies of the legislative process at Johns Hopkins University and received his J.D. from the University of Baltimore School of Law. After a long

association with Congressman Steny H. Hoyer, Mr. Moag joined the law firm of Patton Boggs, L.L.P. where he serves as Managing Partner of the Baltimore Office and Director of branch offices in five other cities. An Officer and Trustee of Washington College in Chestertown, Maryland, Mr. Moag is also a Trustee of the St. Ignatius Academy. Mr. Moag also serves on the Board of the Pride of Baltimore.



JOHN BROWN, III

John Brown, III was appointed as a member of the Maryland Stadium Authority in March, 1995. President of MBK Enterprises, Inc. (R.J. Bentley's Restaurant) and Managing Partner of the College Park Professional Center, Mr. Brown is actively involved in the Prince George's County Local Organizing Committee and serves as President-Elect of

the University of Maryland Athletic Department's Terrapin Club. Recently named as a member of the Board of Directors of the Restaurant Association of Maryland (RAM), Mr. Brown received a Bachelor of Science degree from the College of Business and Management at the University of Maryland, College Park.



WILLIAM R. BROWN, JR.

William R. Brown, Jr. was appointed as a member of the Maryland Stadium Authority on July 1, 1993 when the Authority was expanded to seven members as a result of the added responsibilities associated with the Baltimore Convention Center expansion project. Mr. Brown serves as Director of Finance for the City of Baltimore. Prior to his

appointment to that position in 1989, Mr. Brown served 22 years as Director of Finance for the Prince George's County government. Mr. Brown is a past president of the Maryland Public Finance Officers' Association and has received the Distinguished Leadership Award from the Association of Government Accountants.



WILLIAM K. HELLMANN

William K. Hellmann was named a member of the Maryland Stadium Authority on July 1, 1987. Mr. Hellmann, a partner in the firm of Rummell, Klepper & Kahl, is a Registered Professional Engineer. Mr. Hellmann received his B.S.C.E. from the University of Maryland. He served as Secretary of the Maryland Department of

Transportation (1984-87), as Chairman of the Governor's Transportation Revenue Committee (1990) and the Privatization Task Force (1992).



BRUCE H. HOFFMAN
Executive Director

Bruce H. Hoffman was named Executive Director of the Maryland Stadium Authority in February, 1989. Coming to Maryland from Albany, New York, Mr. Hoffman brought management experience gained as Director of Design and Construction for the New York State Facilities Development Corporation, a public benefit corporation that "fast tracked"

design and construction projects. Additionally, Mr. Hoffman had hands-on experience as Past President of a New York based construction company. Mr. Hoffman received his B.S.C.E. from Clarkson University in Potsdam, New York and is a licensed professional engineer in Maryland and New York. In 1996, the American Society of Civil Engineers presented the Civil Engineer of the Year Award to Bruce.



DENNIS C. MURPHY

Dennis C. Murphy was named a member of the Maryland Stadium Authority on August 1, 1997. Mr. Murphy serves as Senior Vice President of Smithy Braedon/ONCOR International, a commercial real estate firm in the Washington, D.C. metropolitan area. A Professional Certified Economic Developer, Mr. Murphy has served as President of the Maryland Industrial

Development Association, a member of the Board of Directors of the American Economic Development Council, the Prince George's County Private Industry Council and Chairman of the Area Business Development Officials Committee of the Greater Washington Board of Trade. Before assuming his duties with Smithy Braedon, Mr. Murphy served as President and Chief Executive Officer of the Prince George's County Economic Development Corporation. A Washington area native, Mr. Murphy attended secondary school and college in Prince George's County. He served in the United States Marine Corps and held positions with both the State of Maryland and the Prince George's County government.



JOSHUA I. SMITH

Joshua I. Smith was named a member of the Maryland Stadium Authority in September, 1986. Mr. Smith is Chairman and Chief Executive Officer of the Maxima Corporation of Lanham, Maryland. A cum laude graduate of Central State University in Ohio, Mr. Smith is the recipient of numerous honorary degrees from colleges and universities throughout the United States. Mr. Smith actively serves on

a myriad of state and federal boards and commissions.



W. ROBERT WALLIS

W. Robert Wallis was appointed to the Maryland Stadium Authority in July, 1987. Mr. Wallis has served in many capacities in Maryland State government, including Chairman of the Home Improvement Commission and as a member of the Maryland Food Market Authority. He is a retired editor of the *Aegis* in Harford County, Maryland and is now President of the 324 Corporation.

ADMINISTRATIVE STAFF

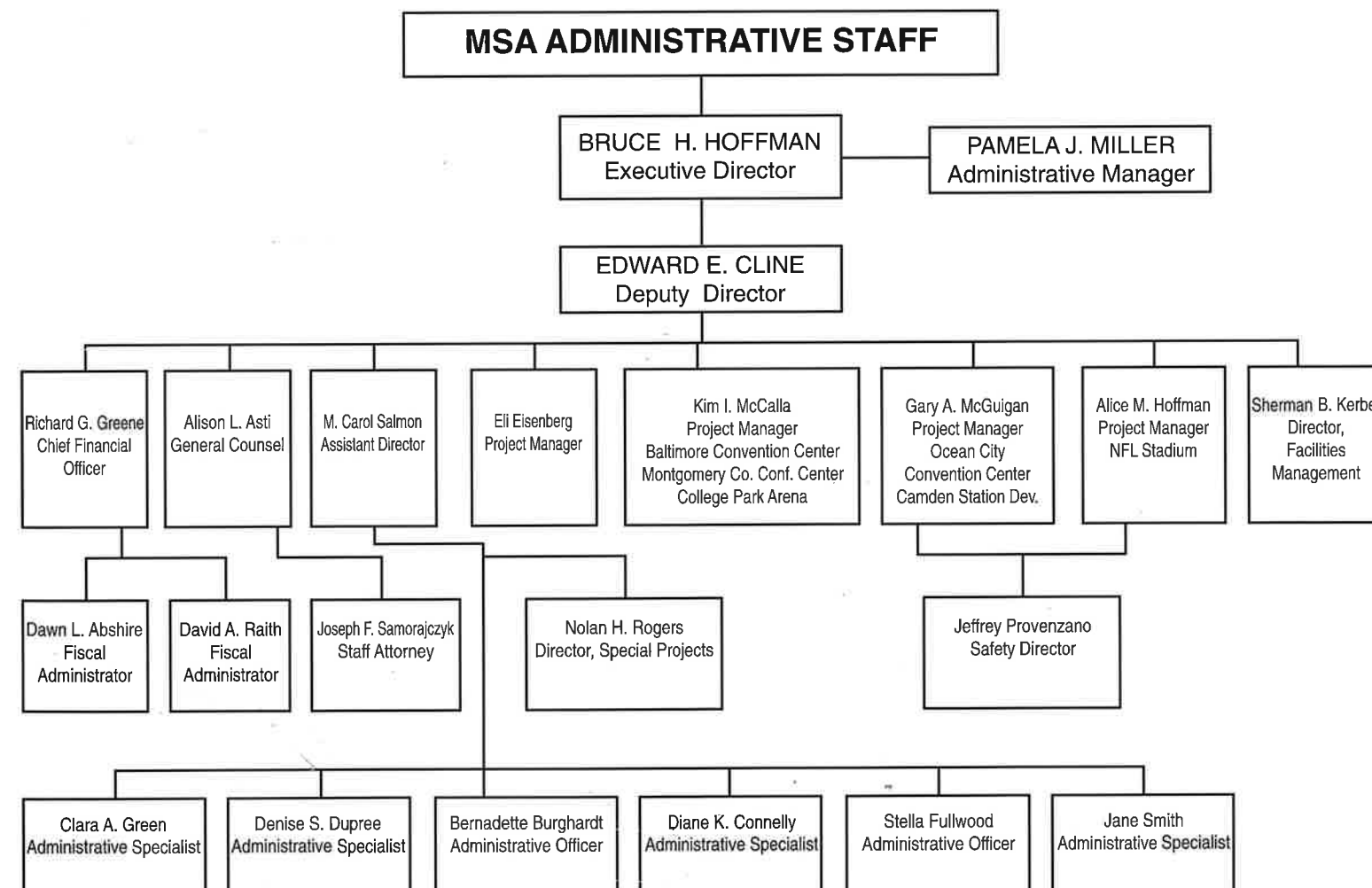


MSA ADMINISTRATIVE STAFF

(Left to Right)

- Row 1: Jeff Provenzano, Bernadette Burghardt, Diane Connelly, Stella Fullwood, Richard Greene, Alison Asti, David Raith, Clara Green, Alice Hoffman, Jane Smith
 Row 2: John Samorajczyk
 Row 3: Bruce Hoffman, Ed Cline, Dawn Abshire, Carol Salmon, Gary McGuigan, Kim McCalla, Pam Miller, Denise Dupree, Eli Eisenberg, Nolan Rogers

ORGANIZATION CHART



FACILITIES MANAGEMENT

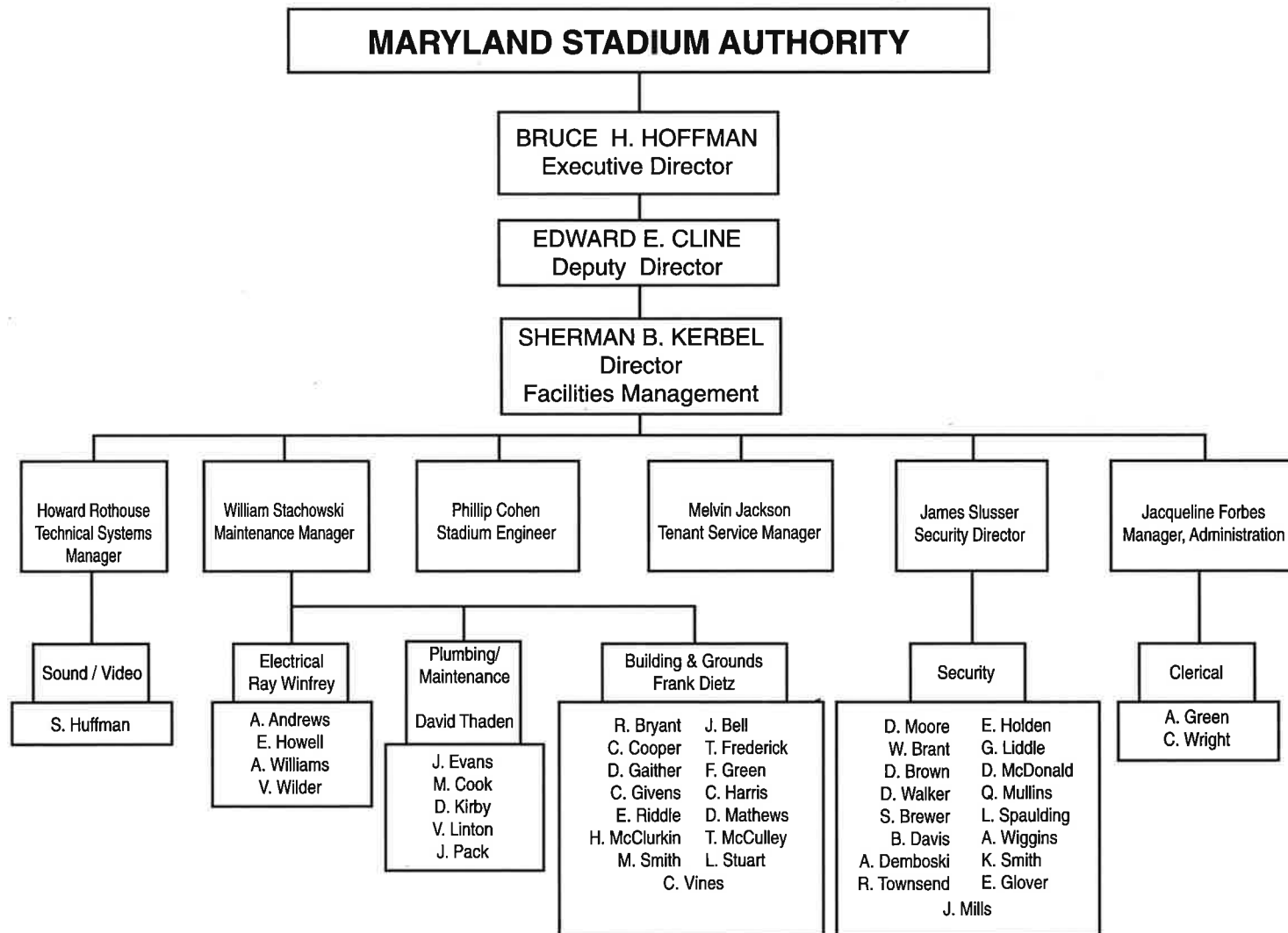


MSA FACILITIES MANAGEMENT STAFF

(Left to Right)

- Row 1: Francis Green
 Row 2: Gilbert Cooper, Tyrone Frederick, Darryl Matthews, Toni Green, Alvenia Williams, Mary Smith
 Row 3: Cardinal Givens, Jerome Evans, Frank Dietz, Phil Cohen, Alonzo Andrews, Vola Linton, Lou Stuart, Jackie Forbes, Cynthia Vines
 Row 4: Bill Stachowski, James Pack, Mark Cook, Eric Howell, Robert Bryant, Ray Winfrey, Cynthia Harris, Delroy Gaither, Carolyn Wright, Jimmy Bell

ORGANIZATION CHART



SECURITY STAFF



MSA SECURITY STAFF

(Left to Right)

- Row 1: Bill Brant, Ernest Glover, Christy Spaulding, Dan McDonald, Jerome Mills
 Row 2: David Walker, Albert Demboski, Jim Slusser, Gary Liddle, Scott Brewer, Dana Brown

MARYLAND STADIUM AUTHORITY

June 30, 1997 and 1996

REPORT OF INDEPENDENT ACCOUNTANTS ON FINANCIAL STATEMENTS
for the year ended June 30, 1997 and 1996

Coopers
& Lybrand

Coopers & Lybrand L.L.P.

a professional services firm

REPORT OF INDEPENDENT ACCOUNTANTS

To the Members of the Maryland
Stadium Authority

We have audited the accompanying balance sheets of the Maryland Stadium Authority as of June 30, 1997 and 1996, and the related statements of revenues, expenses and changes in fund balance and cash flows for the years then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Maryland Stadium Authority as of June 30, 1997 and 1996, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

As discussed in Note 4 to the financial statements, the Maryland Stadium Authority changed its method of accounting for investments in 1997.



Baltimore, Maryland
August 22, 1997

**MARYLAND STADIUM AUTHORITY
BALANCE SHEETS**

June 30, 1997 and 1996

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash on deposit with State Treasurer	\$ 51,029,939	\$ 51,584,611
Petty cash	5,000	5,000
Marketable securities	47,538,928	101,328,027
Accounts receivable	6,625,507	5,167,247
Lottery receivable	1,542,179	2,909,365
Note receivable	6,887,367	7,359,292
Interest receivable	802,498	1,162,433
Furniture and equipment, (net of accumulated depreciation of \$263,012 and \$145,918)	365,831	328,820
Capital leases receivable	258,087,342	206,018,839
Investments in excess of leases receivable (net of accumulated amortization of \$13,121,983 and \$9,508,226)	126,919,758	102,508,183
Deferred renovation costs (net of accumulated amortization of \$1,555,464 and \$549,194)	1,006,270	1,098,387
Deferred financing costs (net of accumulated amortization of \$1,488,344 and \$1,263,128)	<u>3,881,276</u>	<u>3,983,066</u>
Total assets	<u>\$504,691,895</u>	<u>\$483,453,270</u>
LIABILITIES AND FUND BALANCE		
Lease revenue bonds payable, (net of discount of \$142,514 and \$150,342)	288,247,486	290,299,658
Lease revenue notes payable	16,710,000	16,890,000
Accounts payable and accrued expenses	12,737,542	11,306,613
Accrued workers compensation costs	22,150	19,261
Accrued vacation	256,329	217,333
Interest payable	2,304,568	1,888,405
Retentions payable	3,196,776	5,689,103
Deferred revenue	<u>15,522,129</u>	<u>15,522,129</u>
Total liabilities	338,996,980	341,832,502
Fund balance	<u>165,694,915</u>	<u>141,620,768</u>
Total liabilities and fund balance	<u>\$504,691,895</u>	<u>\$483,453,270</u>

See accompanying notes.

**MARYLAND STADIUM AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE**

for the years ended June 30, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Revenues:		
Maryland state lottery revenues:		
Interest on capital leases	\$ 16,130,152	\$ 12,577,597
Revenue in excess of lease payments	13,080,848	6,086,158
Capital leases interest	3,103,092	—
Interest income on investments	3,239,563	1,564,968
Interest on note receivable	555,108	591,683
Admission tax	7,330,784	3,690,989
Stadium rental	5,942,780	6,158,493
Building rental	1,843,051	1,111,558
Contribution from the City of Baltimore	1,000,000	1,000,000
Parking receipts	921,386	1,120,100
Commissions and royalties	453,897	398,273
Appropriations from State of Maryland	1,105,206	352,700
Other income	<u>1,114,683</u>	<u>382,263</u>
Total revenues	<u>55,820,550</u>	<u>35,034,782</u>
Expenses:		
Administrative salaries and benefits	1,056,845	1,132,918
Stadium operations	9,001,124	6,961,486
Parking operations	637,591	1,111,657
Convention center operating deficit	649,600	—
Telephone	48,021	52,632
Travel/conference	42,504	42,296
Contractual services	694,410	744,751
Supplies and materials	417,940	311,320
Subscriptions	30,353	9,316
Depreciation and amortization	4,969,941	3,068,335
Postage and delivery	20,343	18,053
Advertising and printing	58,234	27,601
Interest expense	13,977,712	12,575,550
Miscellaneous	<u>141,785</u>	<u>177,234</u>
Total expenses	<u>31,746,403</u>	<u>26,233,149</u>
Excess of revenues over expenses	24,074,147	8,801,633
Fund balance, beginning of year	<u>141,620,768</u>	<u>132,819,135</u>
Fund balance, end of year	<u>\$165,694,915</u>	<u>\$141,620,768</u>

See accompanying notes.

MARYLAND STADIUM AUTHORITY
STATEMENT OF CASH FLOWS
for the years ended June 30, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Cash provided from operating activities:		
Excess of revenues over expenses before interest expense, interest revenue, and operating transfers	\$ 2,455,600	\$ 556,777
Adjustments to reconcile the excess of revenues over expenses to net cash provided by operating activities:		
Provision for depreciation and amortization	4,969,941	3,068,335
Net increase in fair value of investments	(512,504)	—
(Increase) in accounts receivable	(1,458,260)	(2,288,196)
Increase in accounts payable and other liabilities	<u>372,758</u>	<u>1,156,302</u>
Net cash provided by operating activities	<u>5,827,535</u>	<u>2,493,218</u>
Cash flows from non-capital financing activities:		
Operating transfers from State	3,103,092	352,700
Operating transfers from State lottery	<u>32,818,186</u>	<u>18,987,281</u>
Net cash provided by non-capital financing activities	<u>35,921,278</u>	<u>19,339,981</u>
Cash flows from capital and related financing activities:		
Proceeds from issuance of bonds	—	104,752,047
Expenditures incurred on furniture and fixtures	(154,105)	(160,515)
Expenditures incurred on construction project - Oriole Park at Camden Yards	(2,239,051)	(1,387,181)
Expenditures incurred on construction project - Baltimore Convention Center	(30,227,689)	(78,798,653)
Expenditures incurred on construction project - Ocean City Convention Center	(17,866,554)	(4,127,501)
Expenditures incurred on construction project - Football Stadium	(57,924,312)	(2,974,466)
Expenditures incurred on renovation of Memorial Stadium	(1,514,369)	(1,047,365)
Contributions for construction of Convention Center	29,124,732	53,472,402
Capital lease payments	—	(2,600,000)
(Decrease) increase in retentions payable	(2,492,327)	2,857,390
Payment of bonds and notes payable	(2,240,000)	(2,085,000)
Payment of liquidity fee	(123,200)	(123,201)
Receipt of swap premium	—	15,522,129
Increase in deferred financing costs	—	(996,775)
Interest payments	(19,710,299)	(16,030,571)
Net cash (used in) provided by capital and related financing activities	<u>(105,367,174)</u>	<u>66,272,740</u>
Cash flows from investing activities:		
Interest received	8,290,161	4,088,222
Decrease in note receivable	471,925	471,925
Purchase of marketable securities	—	(101,244,368)
Sale of marketable securities	<u>54,301,603</u>	<u>37,704,435</u>
Net cash provided by (used in) investing activities	<u>63,063,689</u>	<u>(58,979,786)</u>
Net (decrease) increase in cash on deposit	(554,672)	28,773,453
Cash and cash equivalents on deposit, beginning of year	<u>51,589,611</u>	<u>22,816,158</u>
Cash and cash equivalents on deposit, end of year	<u>\$ 51,034,939</u>	<u>\$ 51,589,611</u>
Non-cash activity:		
Interest capitalized	<u>\$ 1,500,691</u>	<u>\$ 1,939,884</u>

See accompanying notes.

MARYLAND STADIUM AUTHORITY
NOTES TO FINANCIAL STATEMENTS

1. Purpose:

The Maryland Stadium Authority ("Authority") was established by legislation enacted by the State of Maryland ("State"), effective July 1, 1986 (Annotated Code 1957, Sections 13-701 through 13-722 of the Financial Institutions Article), to select a site and develop financing alternatives for stadium facilities in the Baltimore Metropolitan area. Effective July 1, 1987 the law was amended (Chapter 123, 1987 Laws of Maryland) to enable the construction of new facilities, including baseball and football stadiums, in the Camden Yards area of Baltimore City (the "City"). The amendment also established that the Authority is an independent unit in the Executive Branch of the State government.

Pursuant to an agreement entered into with Orioles, Inc. (the "Orioles"), the Authority has financed and constructed a baseball stadium, Oriole Park at Camden Yards, which it owns, operates and leases to the Orioles for thirty full baseball seasons. During the term of the lease, the Orioles will pay rent based in part on the collection and payment of amusement taxes to the State for the benefit of the City and the Authority, and a sharing arrangement with the Orioles based on the percentage of admission, concession, novelty, parking, advertising and other revenues of the Orioles. Certain provisions of the lease may be modified as a result of lease terms related to a football stadium.

On May 1, 1989, the Authority entered into a lease agreement with the State whereby the State leases the land and all facilities constructed thereon from the Authority in accordance with the provisions of a Master Lease Agreement ("Master Lease") dated May 1, 1989. The State in turn, subleases the project to the Authority in accordance with the terms of a Sublease Agreement dated May 1, 1989. Under the terms of the Master Lease Agreement, the State pays basic and additional rent payments which are generally equal to the Authority's debt service payments and related financing costs. Under the terms of the Sublease Agreement, the Authority remits to the State any excess revenues from the operation and lease of the facility to the Orioles.

Effective April 7, 1992, as established by legislation (Annotated Code 1957, Sections 13-701 through 13-1013 of the Financial Institutions Article), the Authority was given the powers to review and make recommendations on proposed Baltimore City Convention Center Facilities ("Baltimore Center"), including the expansion and enhancement of the Baltimore Center, with respect to location, purpose, design, function, capacity, parking, costs, funding mechanisms, and revenue alternatives. Under this plan, a separate Baltimore Convention Center Financing Fund has been established. However, no provision of the Act transfers to the Authority the control, management or operation of the Baltimore Center. Under the Comprehensive Plan of Financing (the " Plan") submitted by the Authority under Section 13-712.1 of the Annotated Code of Maryland, the State of Maryland contributed \$20,000,000 in 1993, \$20,000,000 in 1995, \$10,000,000 in 1996 and \$8,000,000 in 1997 through the sale of general obligation bonds. In order to comply with the Plan, the Authority has issued \$55,000,000 Convention Center Expansion Lease Revenue Bonds Series 1994, the debt service for which will be provided by future appropriations from the State, pursuant to the Master Lease. In addition, the City was required to contribute \$50,000,000 for the Baltimore Center. At June 30, 1996, all contributions from the City have been received. Upon completion of the Baltimore Center in 1997, it was turned over to the City for operation, but leased jointly by the City and the Authority as tenants in common, as long as the Convention Center Expansion Lease Revenue Bonds are outstanding. Commencing with the completion of the Baltimore Center through 2008, the Authority shall fund two-thirds of any operating deficiencies of the Baltimore Center and shall contribute \$200,000 per year to a capital improvement fund.

**MARYLAND STADIUM AUTHORITY
NOTES TO FINANCIAL STATEMENTS, Continued**

1. Purpose: continued:

Effective in 1995, the Authority was assigned responsibility for constructing an expansion of the Convention Center in Ocean City (" Ocean City Center"). The expansion is expected to cost \$35 million and is being financed through a combination of funding from Ocean City and the Authority. Under the Ocean City Comprehensive Plan of Financing as required under Section 13-712 of the Finance Institutions Article of the Annotated Code of Maryland, the Authority was required to contribute approximately \$17.34 million to the project. In October 1995, the Authority issued \$17.34 million in revenue bonds to satisfy its funding requirement. The debt service of the revenue bonds will be provided by future appropriations by the State, pursuant to the Master Lease. Upon completion of the Ocean City Center, it will be turned over to Ocean City and will be leased jointly by Ocean City and the Authority as tenants in common, as long as the revenue bonds are outstanding. Commencing with the completion of the Ocean City Center through 2015, the Authority shall contribute one-half of any annual operating deficiencies and \$50,000 per year to a capital improvement fund.

Pursuant to a Memorandum of Agreement ("Memo") between the Authority and the entities formerly known as Cleveland Browns, Inc. and BSC, LLC, which collectively are referred to as the Ravens, the Authority has committed to design and construct a state-of-the-art, open-air football stadium at Camden Yards. The football stadium is projected to cost \$ 200 million, of which \$143 million will be funded by the Authority and \$57 million will be funded from lottery proceeds. In 1996, the Authority, issued \$87,565,000 Sports Facilities Lease Revenue Bonds, Series 1996 to begin funding this project. Upon completion of the football stadium in 1998, the Authority, will lease the football stadium to the Ravens for thirty full football seasons.

During the construction of the football stadium, the Ravens will use Memorial Stadium for football games, as permitted by an agreement between Baltimore City and the Authority. Under the Memo, the Authority is committed to pay certain renovation costs and has been authorized to spend up to \$2 million for the renovation on Memorial Stadium. During the year ended June 30, 1996, the Authority began paying these renovation costs. In addition, the Memo requires the Authority to pay the costs of operating Memorial Stadium, which will be offset by admission taxes paid by the Ravens.

Effective June 1, 1996, the Authority was authorized to provide for the development and construction of the Montgomery County Conference Center. The development of the Montgomery County Conference Center is expected to cost \$27.5 million. The Authority has committed to issue \$17.604 million in bonds for the project of which \$17.304 million will be used for capital construction costs. Montgomery County is required to contribute \$10.196 million toward capital construction costs prior to the Authority's issuance of its bonds to fund the project. As of June 30, 1997, no construction costs have been incurred.

2. Summary of Significant Accounting Policies:

A. Cash on Deposit:

A portion of the funds deposited with the State Treasurer are held in a restricted account and can only be expended upon appropriation by the State Legislature. The amount of restricted cash deposited with the State Treasurer was \$32,743,789 and \$37,107,372 at June 30, 1997 and 1996, respectively. All cash on deposit with the State Treasurer is a cash equivalent as the money is available within a 90 day period.

Continued

**MARYLAND STADIUM AUTHORITY
NOTES TO FINANCIAL STATEMENTS, Continued**

2. Summary of Significant Accounting Policies, continued:

B. Fixed Assets:

Furniture and equipment are stated at cost and depreciated using the straight-line method over a five year estimated useful life. Depreciation expense was \$117,094 and \$71,909 for the years ended June 30, 1997 and 1996, respectively.

C. Pension Plan:

The employees of the Authority participate in the State of Maryland's Employee Retirement and Pension Systems. The plan covers all full-time employees. Pension expense was \$176,660 and \$123,840 for the years ended June 30, 1997 and 1996, respectively.

D. Deferred Financing and Renovation Costs:

Financing costs associated with the Sports Facilities Lease Revenue Notes, the Sports Facilities Lease Revenue Bonds and the Convention Center Expansion Lease Revenue Bonds have been deferred and will be amortized over the life of the debt using the interest method. Amortization expense for the years ended June 30, 1997 and 1996 was \$ 163,364 and \$192,318, respectively.

Costs associated with the renovation of Memorial Stadium have been deferred and will be amortized over the term that the Ravens are using Memorial Stadium. Amortization expense for the years ended June 30, 1997 and 1996 was \$1,006,270 and \$549,194, respectively.

E. Capitalized Interest:

Interest costs of approximately \$20,126, 000 and \$17, 303, 000 were incurred in 1997 and 1996, respectively.

Interest costs incurred on borrowed funds during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets. The Authority capitalized \$6,149,000 and \$4,727,000 of interest expense less \$4,648,000 and \$2,787,000 of interest income on unspent bond proceeds, which resulted in net interest capitalization of \$1,501,000 and \$1,940,000 in 1997 and 1996, respectively. Such capitalized costs are included in the investments in excess of leases receivable.

F. Capital Lease Receivable:

Under the terms of the Master Lease, principal and interest payments on the Authority's Lease Revenue Bonds and Notes are paid by the State when due. The Authority has established a capital lease receivable equal to the future principal payments, less any unspent proceeds, on its outstanding debt.

Continued

**MARYLAND STADIUM AUTHORITY
NOTES TO FINANCIAL STATEMENTS, Continued**

2. Summary of Significant Accounting Policies, continued:

F. Capital Lease Receivable: continued:

Any costs incurred in the construction or expansion of the stadiums and convention centers, excluding contributions for construction made by the State and other governmental entities, over the capital lease receivable is recorded as an investment in excess of lease receivable. The investments in excess of leases receivable is amortized on the straight-line basis over the lesser of the estimated useful life of the underlying assets leased to the State or the remaining term of the debt issued to finance the underlying assets leased to the State. Amortization expense for the years ended June 30, 1997 and 1996 was \$3,613,757 and \$2,254,914, respectively.

G. Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and judgements that affect the reporting amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements and revenues and expenses recognized during the reporting period. Actual results could differ from those estimates.

H. Reclassifications:

Certain classifications were made to the 1996 amounts to conform with the 1997 financial statement presentation.

3. Income From State and Municipal Sources:

Proceeds from the sports lotteries aggregating \$31,451,000 and \$20,749,000 for the years ended June 30, 1997 and 1996, respectively, were invested by the State Treasurer for the account of the Authority. During the years ended June 30, 1997 and 1996, the Authority utilized \$17,739,650 and \$13,634,560, respectively, of proceeds received from Maryland State lottery revenues to pay its debt service. During 1997 and 1996, Baltimore City made annual contributions of \$1,000,000 per the Annotated Code establishing the Authority. The City funds are invested with the State Treasurer for the purpose of retiring the Authority's debt incurred to construct Oriole Park at Camden Yards. All income is recognized on the accrual basis of accounting.

4. Marketable Securities:

The Authority adopted Governmental Accounting Standards Board Statement No. 31, "Certain Investments and External Investment Pools" in the current year. Prior year amounts have not been restated due to the immaterial impact on the beginning of the year fund balance. The Authority holds marketable securities, which are reflected on the balance set at fair value and held by the Bond Trustee, that consist of the following:

	<u>Cost</u>	<u>Market</u>
Money Market Funds	\$10,055,382	\$10,055,382
United States Government	<u>36,971,042</u>	<u>37,483,546</u>
	<u>\$47,026,424</u>	<u>\$47,538,928</u>

Continued

**MARYLAND STADIUM AUTHORITY
NOTES TO FINANCIAL STATEMENTS, Continued**

Summary of Significant Accounting Policies, continued:

4. Marketable Securities, continued:

Proceeds to purchase these marketable securities were derived from various bond issues and any proceeds from the sale of these marketable securities are restricted to the purpose of the originating bond issue. The market value of these securities is determined by the Trustee using a recognized pricing service for debt securities and amortized cost for money market funds. All investment decisions are made by the Treasurer for the State.

5. Accounts Receivable:

Accounts receivable consists of the following at June 30:

	<u>1997</u>	<u>1996</u>
Admission Tax from the State	\$ 1,010,990	\$ 568,396
Town of Ocean City	1,198,850	855,900
Baltimore Orioles	3,297,036	3,150,716
Other	<u>1,118,631</u>	<u>592,235</u>
	<u>\$ 6,625,507</u>	<u>\$ 5,167,247</u>

6. Note Receivable:

Under the stadium lease, the Orioles shall reimburse the Authority for amounts advanced to equip and furnish private suites in Oriole Park at Camden Yards totaling \$9,129,010. Private Suite construction costs are repayable over a thirty year period and furnishing costs over a five year period with interest at 7.75%, which will be adjusted on April 1, 2002 and April 1, 2012 to the prime rate of interest plus 1.75%.

7. Capital Lease Receivable:

At June 30, 1997 and 1996, the capital leases receivable consists of the following:

	<u>1997</u>	<u>1996</u>
Total minimum lease payments to be received	\$ 612,534,270	\$ 634,485,169
Less: Unearned interest income	<u>(307,434,270)</u>	<u>(327,145,169)</u>
Principal balance on outstanding debt	305,100,000	307,340,000
Less: Liquid assets to be used in construction	<u>(47,012,658)</u>	<u>(101,321,161)</u>
	<u>\$ 258,087,342</u>	<u>\$ 206,018,839</u>

Continued

**MARYLAND STADIUM AUTHORITY
NOTES TO FINANCIAL STATEMENTS, Continued**

8. Lease Revenue Bonds:

On November 9, 1989, the Authority issued the tax-exempt Sports Facilities Lease Revenue Bonds Series D to finance the construction of the Stadium and to refinance, in part, the costs of acquiring and preparing the property at the Stadium site. Principal and interest on the Series D Bonds are payable primarily from the basic rent to be paid by the State under the Master Lease. Interest is payable semi-annually at rates varying from 6.50% to 7.60% per annum. At June 30, 1997 and 1996, the principal amount outstanding on Series D was \$128,485,000 and \$130,545.00, respectively. The Bonds mature serially in varying amounts through 2019. Bonds maturing after December 15, 1999, are subject to redemption on or after December 15, 1999 in any order, at the option of the Authority as a whole or in part at any time, at the respective redemption prices (expressed as percentages of the principal amount to be redeemed) set forth below, plus accrued interest to the date of redemption:

<u>Period During Which Redeemed</u>	<u>Redemption Price (Expressed as a Percentage)</u>
December 15, 1999 to December 14, 2000	102%
December 15, 2000 to December 14, 2001	101%
December 15, 2001 and thereafter	100%

Annual debt service requirements (principal and interest) on the Lease Revenue Bonds over the next five fiscal years are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1998	\$2,205,000	\$9,570,891	\$11,775,891
1999	2,365,000	9,411,597	11,776,597
2000	2,535,000	9,238,348	11,773,348
2001	2,725,000	9,050,442	11,775,442
2002	2,930,000	8,842,470	11,772,470

On September 1, 1994, the Authority issued Convention Center Expansion Lease Revenue Bonds to finance, together with certain other funds, the expansion and renovation of the Baltimore Convention Center. Principal and interest on the Lease Revenue Bonds are payable primarily from the basic rent to be paid by the State under the Master Lease. Interest is payable semiannually at rates varying from 5.25% to 5.875% per annum. The Bonds mature serially in varying amounts through December 15, 2014.

Continued

**MARYLAND STADIUM AUTHORITY
NOTES TO FINANCIAL STATEMENTS, Continued**

8. Lease Revenue Bonds, continued:

At June 30, 1997 and 1996, the principal amount outstanding was \$55,000,000. Bonds maturing on or after December 15, 2005, are subject to redemption on or after December 15, 2004, in any order, at the option of the Authority as a whole or in part at any time, at the respective redemption price (expressed as percentages of the principal amount to be redeemed) set forth below, plus accrued interest to the date of redemption:

<u>Period During Which Redeemed</u>	<u>Redemption Price (Expressed as a Percentage)</u>
December 15, 2004 to December 14, 2005	102%
December 15, 2005 to December 14, 2006	101%
December 15, 2006 and thereafter	100%

Annual debt service requirements (principal and interest) on the Convention Center Expansion Lease Revenue Bonds over the next five fiscal years are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1998	\$1,880,000	\$3,053,748	\$4,933,748
1999	1,970,000	2,952,685	4,922,685
2000	2,065,000	2,845,476	4,910,476
2001	2,170,000	2,731,660	4,901,660
2002	2,280,000	2,612,066	4,892,066

On October 15, 1995, the Authority issued Ocean City Convention Center Expansion Lease Revenue Bonds to finance, together with certain other funds, the expansion and renovation of the Ocean City Convention Center. Principal and interest are payable primarily from the basic rent to be paid by the State under the Master Lease. Interest is payable semiannually at rates varying from 4.80% to 5.375% per annum. This issue contains \$14,525,000 serial bonds that mature in varying amounts through December 15, 2013 and a \$2,815,000 term bond that matures December 15, 2015. The term bond requires a sinking fund redemption beginning December 15, 2014.

Continued

**MARYLAND STADIUM AUTHORITY
NOTES TO FINANCIAL STATEMENTS, Continued**

8. Lease Revenue Bonds: continued

At June 30, 1997 and 1996, the principal amount outstanding was \$17,340,000. Bonds maturing on or after December 15, 2006, are subject to redemption on or after December 15, 2005, in any order, at the option of the Authority in a whole or part at any time, at the respective redemption price (expressed as percentages of the principal amount to be redeemed) set forth below, plus accrued interest to the date of redemption:

<u>Period During Which Redeemed</u>	<u>Redemption Price (Expressed as a Percentage)</u>
December 15, 2005 to December 14, 2006	101%
December 15, 2006 and thereafter	100%

Annual debt service requirements (principal and interest) on the Ocean City Convention Center Expansion Lease Revenue Bonds over the next five fiscal years are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1998	\$ —	\$ 885,464	\$ 885,464
1999	615,000	870,704	1,485,704
2000	645,000	840,464	1,485,464
2001	675,000	808,784	1,483,784
2002	710,000	775,544	1,485,544

On April 15, 1996, the Authority issued Sports Facilities Lease Revenue Bonds to finance, together with certain other funds, the construction of a football stadium at Camden Yards. Principal and interest are payable primarily from the basic rent to be paid by the State under the Master Lease. Interest is payable semiannually at rates varying from 5.30% to 5.80% per annum. This issue contains \$36,350,000 serial bonds that mature in varying amounts through March 1, 2015 and \$11,005,000, \$17,860,000 and \$22,350,000 term bonds that mature March 1, 2018, March 1, 2022, and March 1, 2026, respectively. These term bonds are subject to mandatory sinking fund payments beginning March 1, 2016. At June 30, 1997 and 1996, the principal amount outstanding was \$87,565,000. Bonds maturing on or after March 1, 2007 are subject to redemption on or after March 1, 2006, in any order, at the option of the Authority in whole or in part at any time, at the respective redemption prices (expressed as percentages of the principal amount to be redeemed) set forth below, plus accrued interest to the date of redemption:

Continued

**MARYLAND STADIUM AUTHORITY
NOTES TO FINANCIAL STATEMENTS, Continued**

8. Lease Revenue Bonds, continued:

<u>Period During Which Redeemed</u>	<u>Redemption Price (Expressed as a Percentage)</u>
March 1, 2006 to and including February 28, 2007	101%
March 1, 2007 and thereafter	100%

Annual debt service requirements (principal and interest) on the Sports Facilities Lease Revenue Bonds over the next five fiscal years are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1998	—	\$ 4,924,113	\$ 4,924,113
1999	—	4,924,113	4,924,113
2000	1,495,000	4,924,113	6,419,113
2001	1,575,000	4,844,878	6,419,878
2002	1,660,000	4,761,403	6,421,403

9. Lease Revenue Notes:

On May 17, 1989, the Authority issued the Sports Facilities Lease Revenue Notes Series 1989 A, B and C to finance the acquisition of property for the construction of Oriole Park at Camden Yards. Principal and interest on the Series 1989 Notes are payable primarily from the basic rent to be paid by the State under the Master Lease. Series 1989 A and B Notes were effectively retired with proceeds received from Lease Revenue Bonds Series D. At June 30, 1997 and 1996, the principal amount of the remaining 1989 C Notes is \$16,710,000 and \$16,890,000, respectively. Interest is payable semi-annually at rates varying from 9.65% to 10.00% per annum. The notes mature serially in varying amounts through 2019. Notes maturing after December 15, 1998 are subject to redemption on or after December 15, 1998, in any order, at the option of the Authority as a whole or in part at any time, at the respective redemption prices (expressed as percentages of the principal amount to be redeemed) set forth below, plus accrued interest to the date of redemption:

Continued

MARYLAND STADIUM AUTHORITY
NOTES TO FINANCIAL STATEMENTS, Continued

9. Lease Revenue Notes, continued:

<u>Period During Which Redeemed</u>	<u>Redemption Price (Expressed as a Percentage)</u>
December 15, 1998 to December 14, 1999	102%
December 15, 1999 to December 14, 2000	101%
December 15, 2000 and thereafter	100%

Annual debt service requirements (principal and interest) on the 1989 C Note over the next five fiscal years are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1998	\$ 195,000	\$ 1,659,682	\$ 1,854,682
1999	215,000	1,639,737	1,854,737
2000	240,000	1,617,205	1,857,205
2001	265,000	1,591,872	1,856,872
2002	290,000	1,563,563	1,853,563

10. Operating Leases:

The Authority has leased certain office space in the Camden Yards Warehouse to various tenants with terms ranging from 3 to 10 years. The future minimum lease rentals to be received on noncancelable leases as of June 30, 1997 are as follows:

<u>Year Ending June 30,</u>	<u>Amounts</u>
1998	\$ 2,217,430
1999	2,285,932
2000	2,326,625
2001	2,308,042
2002	1,983,252

Continued

MARYLAND STADIUM AUTHORITY
NOTES TO FINANCIAL STATEMENTS, Continued

11. Commitments:

The Authority has entered into various contracts in relation to the construction of the Baltimore Center, Ocean City Center and the football stadium. As of June 30, 1997, approximately \$72,738.985 remains to be incurred and paid on these contracts.

12. Deferred Revenue:

On October 1, 1993, the Authority entered into certain Interest Rate Swap Agreements, a liquidity guarantee agreement, and a certain forward bond purchase and remarketing agreements for the purpose of realizing certain cost savings associated with the refunding of the Series 1989 C Notes and the Series 1989 D Bonds fixed rate debt. At the call date, December 15, 1998 and December 15, 1999 for Series 1989 C Notes and Series 1989 D Bonds, respectively, the Authority has agreed to issue variable rate debt in an amount sufficient to extinguish the existing fixed rate debt in the amount of \$137,680,000. All issue cost of the new variable rate debt and premium to call the existing debt will be paid by the Authority. A liquidity guarantee agreement was entered into which guarantees the Authority liquidity for the variable rate bonds, at a fixed fee, for the life of the bonds. A forward bond purchase and remarketing agreement was also entered into which guarantees the purchase and remarketing of the variable rate bonds. At the call date, and thereafter, the Authority will make fixed rate payments equal to the debt service on the existing fixed rate debt for the sweep payment, liquidity fees and remarketing fees. The Authority will receive variable rate payments equal to the payment due of the new debt.

On April 1, 1996, the Authority received \$15,522,129 pursuant to the swap agreement as a premium on the swap agreement. This premium has been recorded as deferred revenue and will be amortized over the life of the new variable rate debt. The receipt of the swap premium will be used to fund the football stadium. In addition, semi-annual liquidity fees are required under the liquidity guarantee agreement through the issue date of the new variable rate debt. As of June 30, 1997 and 1996, \$454,851 and \$331,615, respectively, was paid and is included in deferred financing costs. These liquidity fees will be amortized over the life of the new variable rate debt.

PHOTOGRAPHY CREDITS

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5	Oriole Park at Camden Yards	Jerry Wachter
6	Tour Group	Nolan Rogers
6	Hammerjacks Demolition	Bob Abrahams
7	Camden Yards Event	Jack Schwartz
7	Camden Yards Blood Drive	Nolan Rogers
7	Plaque for Camden Station	Nolan Rogers
9	Ocean City Convention Center	Paul Smith
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14	Solo Gibbs Recreation Center	Nolan Rogers
19	MSA Administrative Staff	Nolan Rogers
20	MSA Facilities Management Staff	Nolan Rogers
21	MSA Security Staff	Nolan Rogers

