

MARYLAND STADIUM AUTHORITY



1998 ANNUAL REPORT

Parris N. Glendening
Governor

MARYLAND STADIUM AUTHORITY

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

M. Carol Salmon
Editor

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1998 ANNUAL REPORT

**Maryland Stadium Authority
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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
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MEMBERS

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WILLIAM K. HELLMANN
DENNIS C. MURPHY
JOSHUA I. SMITH
W. ROBERT WALLIS

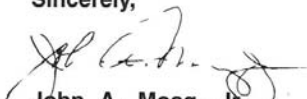
TO THE GOVERNOR AND MEMBERS OF THE MARYLAND GENERAL ASSEMBLY

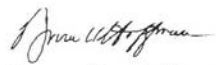
We are pleased to present the Ninth Annual Report of the Maryland Stadium Authority for the 1998 calendar year, another productive period filled with accomplishments.

Construction was completed on the new National Football League (NFL) stadium at Camden Yards and the first pre-season game in the new stadium was held on August 8th. Preceded by special festivities, including "Rocket Man", the stadium opened officially to a capacity crowd on September 6, 1998 as the Baltimore Ravens met the Pittsburgh Steelers.

We completed our seventh successful season in Oriole Park at Camden Yards and work was initiated on several new projects that will develop in 1999. We look forward to working with you again as we embark on our new challenges.

Sincerely,


John A. Moag, Jr.
Chairman


Bruce H. Hoffman
Executive Director

CAMDEN YARDS UPDATE

The Maryland Stadium Authority enjoyed another successful year in 1998. The Warehouse at Camden Yards reached capacity with the leasing of nearly 9,000 square feet of additional office space bringing the total amount of occupied space to almost 280,000 square feet. Major improvements were made to the facilities occupied by Milliman and Robertson, Blackhawk Security, Waverly, ARAMARK (banquet room and kitchen) and the Orioles (art gallery).

Extensive renovations were made to both the Club Level and the luxury suites of Oriole Park at Camden Yards. This \$1 million plus project was undertaken to ensure that the Camden Yards sports complex remains up to date as the premier facility in the Nation.



Oriole Park at Camden Yards

Parking on the Camden Yards site has continued to improve since the temporary loss of spaces for construction of the NFL stadium. The lots located on the Camden Yards property (A, B, C, D, F, G, H and the North and East

Warehouse lots) provide parking for 4,210 vehicles. Convenient off-site parking, leased by the Maryland Stadium Authority and located within an easy walk of both the baseball and football stadiums (Lots J, K, L, M, N, O and R) furnishes an additional 1,900 spaces bringing the total number of spaces controlled by MSA to more than 6,100. Additional parking for 1,200 Camden Yards fans is located on lots controlled by the University of Maryland Medical System at Redwood and Pratt Streets; at Paca and Pratt Streets and at Eutaw and Pratt Streets. With these facilities, more than 7,300 parking spaces are available for patrons attending games at one of the stadiums at Camden Yards.

Another improvement in fan access to Camden Yards implemented during 1998 was the construction of a new light rail station immediately adjacent to the new NFL stadium with a controlled-access pedestrian bridge linking the station directly to the football stadium.

The Baltimore Orioles completed their seventh season in Oriole Park. Although the team's record failed to meet pre-season expectations, one highlight was a home game attendance of 3,685,194, the second largest in Oriole history. Another stirring moment occurred when Cal Ripken, in classic fashion, voluntarily ended his consecutive game streak at 2,632 during the last Oriole home game on September 20th.

Tours of Oriole Park at Camden Yards remained popular with both in-State and out-of-town visitors. More than 72,000 fans toured the ballpark in 1998. In May alone, approximately 14,500 visitors came to Camden Yards, surpassing the previous record for one month of 13,000 guests. In 1998, a written educational tour quiz was developed by the Orioles and can be made available at no cost to visiting school groups.



Nolan Rogers points out features of the NFL Stadium

During the final stages of construction and following the opening of the National Football League (NFL) stadium at Camden Yards, tours of that facility became a popular attraction at Camden Yards. During the construction phase, nearly 100 hard hat tours for more than 3,600 guests were conducted by enthusiastic volunteers eager to show of the many exciting features of the new stadium.



Camden Yards is the site of numerous non-game activities

The Warehouse at Camden Yards continues to be a preferred spot for receptions, meetings and other special events. Approximately 300 non-game events were held in The Warehouse and within the ballpark itself. In June, the Camden Yards parking lot was again the site of the two-day "Hoop-it-Up" event for amateur basketball players and their fans. The size and scope of "Taste of Baltimore" was expanded in 1998 and relocated from the Club Level to the Lower Concourse of the ballpark. More than 8,000 guests attended this exciting event in September.



Taste of Baltimore

The Maryland Stadium Authority hosted a very special event in the Warehouse at Camden Yards in 1998 to honor minority contractors for their dedication and hard work on projects undertaken by the Stadium Authority. This event, held on April 22nd, had more than 200 guests representing firms which provided services for Oriole Park at Camden Yards, the Baltimore Convention Center expansion and renovation, the Ocean City Convention Center project and the new National Football League (NFL) stadium at Camden Yards.



*MSA Honors MBE Contractors
(L to R) Alice Hoffman, John Moag,
Josh Smith, William Brown*

Working with these contractors enabled the Stadium Authority to exceed its MBE (Minority Business Enterprise) goal of 23 percent on the NFL stadium by achieving a record-setting 24.5 percent participation. MSA has achieved a participation level of nearly 20 percent on average for all of its projects to date. The Stadium Authority forged new ground in MBE involvement with its outreach to contractors throughout Maryland to encourage their participation in the construction of Oriole Park at Camden Yards, a \$135 million project which attained 19.1 percent (\$25.78 million) partici-

pation. The Baltimore Convention Center, a \$155 million project, achieved 21.8 percent MBE participation (\$33.79 million) and 3.8 percent WBE (Women Business Enterprise) with \$5.89 Million participation. The Ocean City Convention Center, a \$29 million project, reached 14.1 percent (\$4.08 million) MBE involvement.



Morgan University's Marching Band approaches the new NFL Stadium at Camden Yards.

The new football stadium at Camden Yards became a highly desirable location for events immediately after its opening. In addition to receptions and parties, the new stadium was the site for the homecoming activities of Morgan University. An elegant gala and the homecoming game between Morgan and Delaware State was the first non-NFL game held in the new facility. The University of Maryland College Park and Georgia Tech met on the Ravens' field on October 31st.



L to R: Harlow Fullwood, Maryland State Delegate Howard "Pete" Rawlings and Everett Fullwood, at Morgan University Gala.

In November, the new NFL stadium was the site of two popular Baltimore high school football rivalries - Loyola vs. Calvert Hall and City vs. Poly.

The Maryland Stadium Authority improved its internal systems and procedures during 1998. Agreements for architects and construction management firms have been standardized to ensure that the necessary basics are included in all future contracts. In addition, MSA's project manual, which includes general conditions for construction, is also being

updated and standardized. Work on a formal employee personnel manual was initiated to address personnel issues for MSA employees.

The Maryland Stadium Authority continued to receive unqualified approval from its independent accountant, Price Waterhouse Coopers, LLP in 1998. Revenues from admissions taxes paid by the Orioles and Ravens increased by more than \$1 million, and MSA finished the year on sound financial ground with net assets of \$207 million, an increase of \$41 million over 1997.

Total bond indebtedness at the end of Fiscal Year 1998 was \$305,460,000 consisting of:

| | | |
|------|--|----------------|
| 1997 | Football Lease Revenue Bonds | \$ 4,640,000 |
| 1996 | Football Lease Revenue Bonds | 87,565,000 |
| 1995 | Ocean City Lease Revenue Bonds | 17,340,000 |
| 1994 | Baltimore Convention Center Lease Revenue Bonds | 53,120,000 |
| 1989 | Baseball Lease Revenue Bonds | 126,280,000 |
| 1989 | Baseball Lease Revenue Bonds | 16,515,000 |
| | | <hr/> |
| | | \$ 305,460,000 |

The Maryland Charity Campaign was again successful due to generosity of the Stadium Authority's employees. In addition, donations of food, clothing and toiletries were made to a nearby shelter with the proceeds from employees' "Casual Friday Fund."

The Maryland Stadium Authority and the tenants of The Warehouse at Camden Yards continued the tradition begun in 1997 of hosting two blood drives each year. In the first blood drive of the year, held in March, 94 productive units of blood were donated and 15 first-time donors made contributions.

PROJECT UPDATE

The Maryland Stadium Authority was granted the authority by the 1998 Session of the Maryland General Assembly to prepare studies, including site studies, architectural programs, budget estimates, value engineering and project schedules and to design and construct facilities for State agencies or local governments provided that prior to beginning that work, the Authority notified the budget committees of the Legislature in writing of the proposed work and provided the committees with 30 days to review and comment on the proposed projects. To date, the following projects have been approved for study:



BALTIMORE HIPPODROME PERFORMING ARTS CENTER

With a grant of \$1.7 million in Fiscal 1999, the Stadium Authority was able to complete 50 percent of the design development on the proposed renovation to the Hippodrome Theatre in downtown Baltimore.

The Hippodrome Theatre was built as a Vaudeville house in 1914. It is anticipated that renovating the Hippodrome as a 2,200 seat theater will attract major Broadway shows and serve as the anchor to Baltimore City's West-side Master Plan for urban redevelopment.

The 20-block area targeted for redevelopment is the first phase of a larger urban renewal plan for this area proposed by the Baltimore Development Corporation.



Artist's Rendering

Formulated by the Westside Task Force this ten-year plan aims to connect the Westside business district and the University of Maryland's medical campus to the Central Business District and the Inner Harbor. The Maryland Stadium Authority is responsible for overseeing the design of this project, working with representatives of the Baltimore Development Corporation, the Greater Baltimore Committee, the Baltimore Center of Performing Arts, the Weinberg Foundation and the Theater Management Group (theater operator).

In addition to the Hippodrome, the buildings adjacent to the theater are essential to developing the Performing Arts Center complex which would include a stage house, lobby, retail box office, administrative offices, loading dock and flexible multi-purpose spaces. These properties include the Eutaw Savings Bank, Western Savings Bank and the Eutaw Building. The Hippodrome is currently owned by the University of Maryland at Baltimore, the bank buildings by receivership and the Eutaw Building by private ownership.

Funding will be requested at the 1999 session of the Maryland General Assembly to enable the Stadium Authority to complete project design. If approval is granted and design completed during 1999, it is anticipated that a request would be made for construction funding for Fiscal Year 2001 with the Baltimore Hippodrome Performing Arts Center construction project beginning in Summer, 2000 and

being completed in Spring, 2002. The Hippodrome project is considered to be the essential catalyst for renewal of twenty blocks associated with Baltimore's Westside. As much as \$300 million in private money may be spent on the Westside redevelopment.

HAGERSTOWN SUNS MINOR LEAGUE BASEBALL STADIUM

The Maryland Stadium Authority has been authorized to develop an economic impact study (funded by the City of Hagerstown) for building a new minor league Class A ballpark. CS&L International was awarded the contract to produce the study. The current facility in Hagerstown is more than 60 years old and is subject to flooding when it rains. Other stadium amenities, including parking and concessions, are inadequate for current needs. The City also is interested in locating the new stadium adjacent to Interstate 81 to improve access for fans coming from Pennsylvania, Virginia, West Virginia and Maryland.

MEMORIAL STADIUM

The Maryland Stadium Authority was given a grant of \$850,000 for design services in connection with the possible demolition of Memorial Stadium. Work on this project is pending review and recommendation by the City of Baltimore of development proposals for the reuse of the Memorial Stadium site.

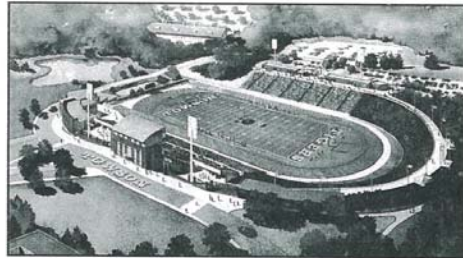
MONTGOMERY COUNTY CONFERENCE CENTER

The Maryland Stadium Authority is responsible for oversight of design and construction of a conference center in Montgomery County. It is anticipated that the cost of the Center will be \$27.5 million which will be financed through funding from Montgomery County and MSA. The Stadium Authority is authorized to issue up to \$17.6 million in revenue bonds which are expected to be sold in Fiscal Year 1999. As soon as zoning issues within the County are resolved, the project will move forward.

TOWSON UNIVERSITY MINNEGAN STADIUM

The Minnegan Stadium project will involve MSA in the study by a sports architect and a construction management firm of design, project costs and a schedule to expand and renovate Minnegan Stadium.

Subject to future funding by the University, the State and the private sector, the \$28 million project will begin during the Summer of 1999. Cho, Wilkes and Benn/Elerbe Becket has been selected as the design team with Barton Malow serving as the construction manager.



Due to its entrance into the Patriot League, Towson University must increase the stadium seating from 4,500 to 11,000 and improve the facility. In addition, the University will replace the grass field with an artificial turf field. These improvements would enable the University to maximize field use for their own teams (football, men's and women's lacrosse and field hockey) and to enhance use by the surrounding community.

This project would also entail construction of a new building to house locker rooms, other sports facilities, class rooms and multi-purpose rooms that could be rented from the University.

The Maryland Stadium Authority has worked closely with representatives of the University to assemble a funding request package for final design and construction to present to the Maryland General Assembly at its 1999 session.

UNIVERSITY OF MARYLAND BALTIMORE COUNTY

This project involves the design and construction of "University Commons," a centerpiece campus facility. This \$24 million project will be funded by UMBC and is scheduled for completion in the Fall of 2000. The University Commons will be a 140,000 to 150,000 square foot facility that will include meeting rooms, food outlets, retail stores and a book store. Also incorporated into the building will be a recreation area, facilities for the student government organization, a student-run night club, a bank and a copying center.

The contract for the construction management firm has been awarded to Barton Malow/Essex of Baltimore, Maryland. Architectural and engineering services will be furnished by Design Collective, Inc. of Baltimore and Perry Dean Rogers and Partners of Boston, Massachusetts.

UNIVERSITY OF MARYLAND COLLEGE PARK

At year's end, the Maryland Stadium Authority was continuing its work with representatives of the University of Maryland on the scope and budget for the arena project. The proposed arena will be located on the North Field area of the campus adjacent to the intramural fields.

Plans for the two-level arena include its use primarily for a 17,000 seat basketball facility to replace the facilities currently housed in Cole Field House. An effort will be made to retain the "feel" of Cole Field House with 2,500 of the 4,000 student seats ringing the court with the remainder being located in the sloped end zones. The view into the seating bowl from the main concourse will also be reminiscent of Cole Field House.

The lower seats will be removable to enable the facility to be converted to three courts for summer camps or to be utilized for other events including convocations and concerts. Concession areas and restroom facilities will be increased over those available in the old facility and the arena will meet the requirements of the Americans with Disabilities Act.

Also incorporated into the building will be a wrestling gym, two practice courts, coaches' offices, athletic administration offices, training rooms, and a press area. A team store and facilities for ticket sales are also planned for inclusion. Additional features include a "Walk of Fame" and "Heritage Hall."

This project will require the construction of additional parking facilities and the widening of both Azalea and Paint Branch Drives.

Funding in the amount of \$4.9 million is available for design and preconstruction services and it is anticipated that, when final agreement is reached within the University, a request will be submitted to the Maryland General Assembly for construction funding.

The design team for this project is Ellerbe Becket (Kansas City)/Design Collective, Inc. (Baltimore). The joint venture of Gilbane Building Company (Laurel, Maryland)/Smoot (Falls Church, Virginia) has been selected as the construction manager.

NATIONAL FOOTBALL LEAGUE (NFL) STADIUM AT CAMDEN YARDS



At 1:01 p.m. on Sunday, September 6, 1998 a full-capacity crowd witnessed the first official kick-off of an NFL game in the stadium at Camden Yards, the new home of the Baltimore Ravens Football Team. The stadium opening culminated efforts begun in 1984 to return a professional football team to Baltimore!

The \$223 million stadium project was completed on time due in large measure to the enthusiasm, knowledge and experience brought to the project by the construction team. Led by the Maryland Stadium Authority, the "team" consisted of representatives of the Baltimore Ravens, the architect, Hellmuth, Obata & Kassabaum, Inc., the construction management joint venture of Whiting Turner/Barton-Malow/ Essex and 85 prime contractors and their sub-contractors.

The stadium contains 1.6 million square feet of interior space and a seating capacity of

69,300. Stadium amenities include 108 luxury suites, 245 food outlets, 1,076 toilets and urinals, including 8 unisex family bathrooms. Wider stadium seats and pedestrian concourses that are 25 to 45 feet wider than those at Memorial Stadium are just a few of the fan-friendly features included in the new Camden Yards stadium.

Technology in the NFL stadium is an outstanding example of the state-of-the-art features incorporated for the fans' enjoyment. The SACO SmartVision LED video boards at Camden Yards are the first in any outdoor sports venue and are the most advanced of any sports facility in the world today. The scoreboards are 24 feet high and 96 feet wide and reproduce video images in a high definition television wide screen format. Each video board is comprised of 6 million LED lighting elements which create the brightest and highest resolution imagery imaginable. The 1,894 speakers produce a surround-sound system throughout the stadium with no fan being farther than 144 feet from a speaker. This system is utilized to project to the fans imaginative images featuring the players, the Raven logo and the fans themselves. Also incorporated into the stadium is an 86-panel rotating advertising system which is the first of its type in the world.



The Maryland Stadium Authority was fortunate to be able to work with many highly motivated contractors and sub-contractors throughout the construction phase of the NFL stadium. The owners and employees of the companies shared our pride and worked diligently to build a stadium of which everyone could be proud.

Extensive outreach efforts throughout the stadium construction project enabled the Stadium Authority to attain significant minority business enterprise (MBE) participation. The established goal of 23 percent MBE participation was exceeded with a record-setting 24.84 percent. More than 200 MBE firms were utilized with commitments for \$50,243,000 of the total \$205,073,000 construction dollars spent.

Employ Baltimore worked closely with the Maryland Stadium Authority and its contractors to identify and train disadvantaged job seekers in Baltimore.

The young people participating in this program received the specialized training required for a specific trade and were given the opportunity to work as an apprentice in a field they otherwise may not have had the opportunity to enter. Approximately 80 young men took advantage of this opportunity throughout the course of the construction project.

Significant effort was expended in restoring parking spaces lost during stadium construction to accommodate the needs of both baseball and football fans. By the beginning of the 1998 football season, more than 4,200 on-site spaces were available at Camden Yards. In addition, lease arrangements were negotiated with neighboring firms that resulted in more than 7,300 spaces being available to

stadium patrons both on and off-site.

The Stadium Authority's efforts to keep the public informed and involved in the stadium construction project continued in 1998. An exact replica model of the NFL stadium at Camden Yards was constructed and placed on display in numerous locations throughout Maryland. During the construction phase of the project, "hard hat" tours were conducted for more than 3,600 guests. A variety of media briefings were scheduled to mark significant milestones or update the public on plans for parking and transportation access to the stadium.

A series of special events were scheduled leading up to the NFL stadium's grand opening in September. The "topping out" ceremony marking the placement of the highest piece of steel on the stadium was held in January. Attended by more than 100 invited guests, this ceremony provided an opportunity to furnish an update on stadium progress.



Solo Gibbs Recreation Center

The Maryland Stadium Authority oversaw improvements and renovations to the Solo Gibbs Recreation Center located in the Sharpe-Leadenhall community immediately adjacent to the football stadium, MSA worked in cooperation with several of the contractors employed on the stadium construction project

who donated their time, materials and know-how and with the Baltimore City Police Athletic League (P.A.L.). Contractors from Shockey Construction, the Clark Construction Company, Long Fence Company, the David Allen Company, Poole & Kent, Enterprise Electric, Hillis-Carnes and LCM Woodworking all made significant contributions to the effort to make the center a safer environment for the area children.

The official opening of the improved Center was held on April 13th with a dinner prepared by community members and the Sharpe-Leadenhall Baptist Church and a special performance given by the children in the community. A plaque listing the names of all firms contributing to the center's improvements was made a permanent fixture in the Solo Gibbs Center.

SuperFlush, a special event designed to test the water and sewer system capacities of the NFL stadium, was held on July 15th. With participants who included PSL (personal seat license) holders, radio station contest winners and guests of the Ravens, every toilet was flushed and every faucet was turned on at several designated times. The system passed with flying colors!

The Ravens' season ticket holders were invited to be among the first members of the public to visit the new stadium. On July 30th, a scrimmage was scheduled and more than 30,000 fans attended. In addition to giving

PSL holders an opportunity to "try out" the nearly completed stadium, this event served as the dress rehearsal for the official opening. Ushers, concessionaire employees, maintenance staff, parking operations crew and others involved in assuring that the stadium functions properly were on hand to perfect their performance.

Essential to the economic success of the stadium are members of the hospitality industry which services the Baltimore Metropolitan area. Cab drivers, restaurant managers, hotel concierge and others who regularly interact with tourists and business visitors to the area were invited to an Open House in the new stadium on August 6th. Treated to tours and light refreshments, hospitality industry guests were given background information on the stadium and acquainted with the anticipated benefits to the metropolitan area resulting from the Ravens and completion of the new stadium.



Tribute to the NFL Stadium Construction Management Team

The first pre-season games in the new NFL stadium were held on August 8th and August 24th. Capacity crowds, eager to gain a first impression of the Ravens' football team and the exciting new stadium at Camden Yards were on hand for both games. At the pre-season game on August 24th, a special tribute was made to the construction workers who gave their energies and expertise to the construction of the stadium. Prior to the game, an informal get-together was held for 1,500 workers and their guests during which greetings and thanks were extended by Governor Parris N. Glendening and MSA Chairman, John A. Moag, Jr. Following the brief ceremony, the workers and their guests were able to enjoy the game and "Ravens' Bucks"; good for food and beverages, were distributed by the team. A special tribute also was made to the workers during the game on the SmartVision screen.



Stevie Wonder in Concert at Camden Yards

Several special activities were scheduled for the official opening of the NFL Stadium at Camden Yards during the Labor Day weekend. The stadium was open to the public on Friday and Saturday in conjunction with the "NFL Experience" taking place on the parking lots surrounding the stadium. On Saturday, the Ravens sponsored a free-to-the-public concert featuring Stevie Wonder and the Baltimore Symphony Orchestra followed by a light show

and fireworks orchestrated by Radio City Music Hall with the stadium as the backdrop.



The "NFL Experience" at Camden Yards

The kick-off of the first regular season football game in Baltimore's new NFL stadium took place at 1:01 p.m. on Sunday, September 6th against the Pittsburgh Steelers. Prior to the kick-off, MSA Chairman, John Moag, ran the football handed off by Rocket Man - down the field for "Touchdown Baltimore!" With a background serenade provided by the Morgan University Choir, representatives of Maryland State government, Baltimore City, the Maryland Stadium Authority, the Baltimore Ravens, construction workers and children from each county in Maryland paraded onto the field celebrating the efforts of so many to bring Baltimore's new stadium into reality.



Baltimore Ravens VS. Pittsburgh Steelers

A fly-over by the Maryland Air National Guard 175th Wing, 106th Fighter Squadron furnished the final touch of excitement before the football game began.

MARYLAND STADIUM AUTHORITY BOARD MEMBERS



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 served as Managing Partner of the Baltimore Office and Director of branch offices in five other cities. In June, 1998 Mr. Moag joined Legg Mason Wood Walker, Inc., as a Managing Director of a multi-disciplinary financial team devoted to the sports industry. Mr. Moag is an Officer and Trustee of Washington College in Chestertown, Maryland and a Trustee of the St. Ignatius Academy.



BRUCE E. 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. Mr. Hoffman also 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. Mr. Hoffman received the Civil Engineer of the Year Award from the American Society of Civil Engineers in 1996.



JOHN BROWN, III

John Brown, III has served as a member of the Maryland Stadium Authority since March, 1995. Mr. Brown is President of M.B.K. Enterprises, Inc. (R.J. Bentley's Restaurant) and Managing Partner of the College Park Professional Center. He also serves as President of the Downtown College Park Management Authority and is on the Board of Directors of the Restaurant Association of Maryland, serving as Government Relations Committee Chairman. Active-ly involved in numerous organizations affiliated with the University of Maryland, Mr. Brown serves as a member of the Inner Circle of the Michael D. Digman Center for Entrepreneurship; the Maryland Business School Alumni Chapter Board of Directors; the University of Maryland Alumni Association, Inc. Board of Governors and is a past President of the University of Maryland Terrapin Club. Mr. Brown received a B.S. Degree from the College of Business and Management of the University of Maryland. He was recognized by the Robert H. Smith School of Business as one of it's outstanding alumni in 1998.



DENNIS C. MURPHY

Dennis C. Murphy became a member of the Stadium Authority on August 1, 1997. He serves as Senior Vice President of Smith Braedon/ONCOR in the Washington, D.C. 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 Washington Board of Trade. Mr. Murphy also 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 and served in the U.S. Marine Corps.



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 added responsibilities associated with the expansion of the Baltimore Convention Center. Mr. Brown serves as Director of Finance for the City of Baltimore. Before assuming that position in 1989, Mr. Brown served for 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.



JOSHUA I. SMITH

Joshua I. Smith became a member of the Maryland Stadium Authority in September, 1986. He serves as Chairman of the Maxima Corporation in 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 serves actively on many state, federal and corporate boards and commissions.



WILLIAM K. HELLMANN

William K. Hellmann was named a member of the Maryland Stadium Authority on July 1, 1987. A partner in the firm of Rummell, Klepper & Kahl, Mr. Hellmann is a Registered Professional Engineer. He received his B.S.C.E. from the University of Maryland. Mr. Hellmann served as Secretary of the Maryland Department of Transportation (1984-87), as Chairman of the Governor's Transportation Revenue Committee (1990) and as a member of the Privatization Task Force (1992).



W. ROBERT WALLIS

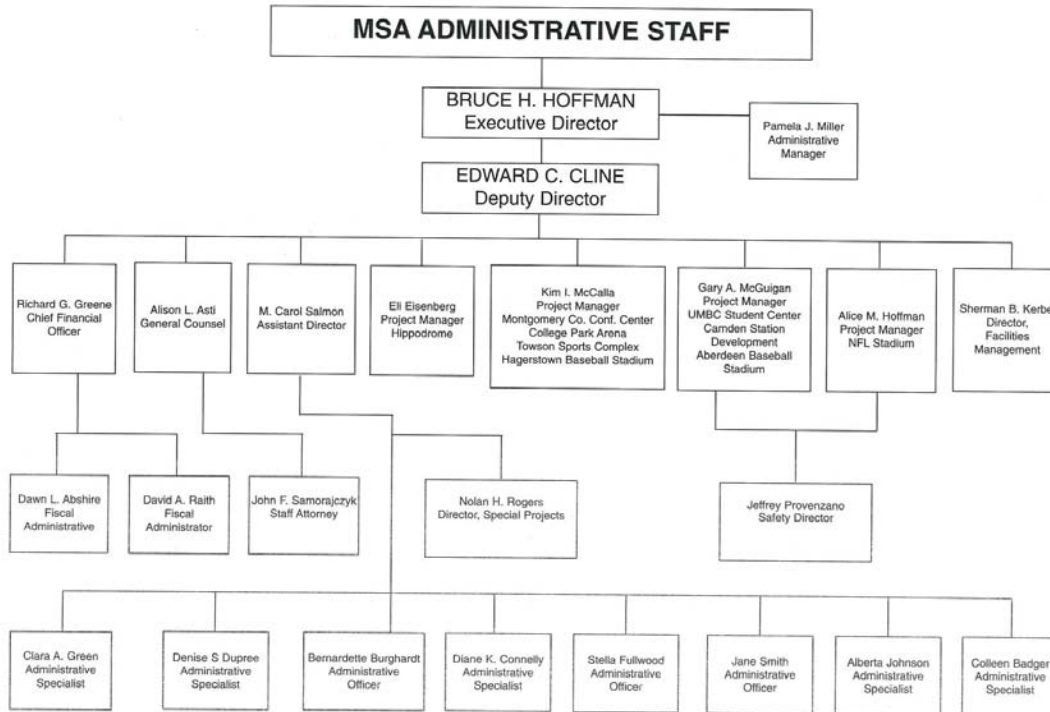
W. Robert Wallis was appointed as a member of the Maryland Stadium Authority in July, 1987. Mr. Wallis has worked in many capacities in Maryland State Government, including serving as Chairman of the Home Improvement Commission and as a member of the Maryland Food Market Authority. He is a retired editor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

ADMINISTRATIVE STAFF



MSA ADMINISTRATIVE STAFF
(Left to Right)

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



FACILITIES MANAGEMENT STAFF



MSA FACILITIES MANAGEMENT STAFF

(Left to Right)

- Row 1: Mark Cook, Gilbert Cooper, Darryl Mathews, Lou Stuart, Francis Green, Cynthia Vines, Mark Neal, Dave Kirby.
Row 2: Phil Cohen, Rick Pack, Carolyn Wright, Mary Buckingham, Vola Linton, Dave Thaden, Alonzo Andrews, Cardinal Givens, Hugh McClurkin,
Row 3: Brian Hoffman, Walt Schmidbauer, William Stachowski, Reginald Winfrey, Shelley Nelson, David Walker, Cynthia Harris, Delroy Gaither, Tyrone Frederick, Vincent Wilder, Scott Huffman, Robert Bryant, James Bell, Albert Demboski.

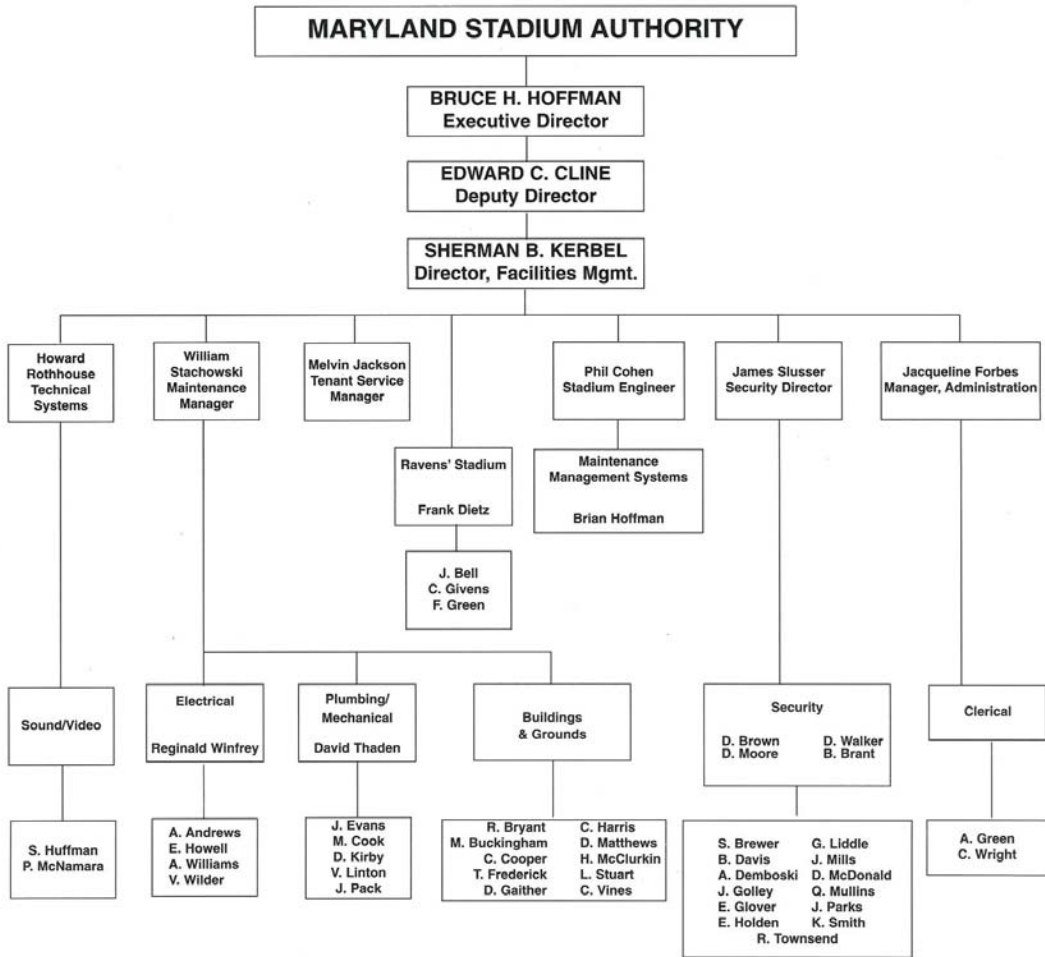
SECURITY STAFF



MSA SECURITY STAFF

(Left to Right)

Walter Schmidbauer, Albert Demboski, Nicole Lassiter, David Walker, Jim Slusser



MARYLAND STADIUM AUTHORITY

June 30, 1998 and 1997

REPORT OF INDEPENDENT ACCOUNTANTS ON FINANCIAL STATEMENTS
for the years ended June 30, 1998 and 1997



PricewaterhouseCoopers LLP
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REPORT OF INDEPENDENT ACCOUNTANTS

September 25, 1998

To the Members of the
Maryland Stadium Authority

In our opinion, the accompanying balance sheets and the related statements of revenues, expenses and changes in fund balance and cash flows present fairly, in all material respects, the financial position of Maryland Stadium Authority at June 30, 1998 and 1997, and the results of its operations and its cash flows for each of the years ended June 30, 1998 and 1997, in conformity with generally accepted accounting principles. 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 of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain standards which 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 disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

MARYLAND STADIUM AUTHORITY
BALANCE SHEETS
June 30, 1998 and 1997

| | <u>1998</u> | <u>1997</u> |
|--|----------------------|----------------------|
| ASSETS | | |
| Cash on deposit with State Treasurer | \$ - | \$ 51,029,939 |
| Petty cash | 5,000 | 5,000 |
| Marketable securities | 1,194,233 | 47,538,928 |
| Accounts receivable | 10,487,885 | 6,625,507 |
| Lottery receivable | 3,154,284 | 1,542,179 |
| Note receivable | 6,566,305 | 6,887,367 |
| Interest receivable | 261,445 | 802,498 |
| Furniture and equipment, (net of accumulated depreciation of \$390,603 and \$263,012) | 298,181 | 365,831 |
| Capital leases receivable | 304,059,332 | 258,087,342 |
| Investments in excess of leases receivable (net of accumulated amortization of \$17,297,955 and \$13,121,983) | 228,396,213 | 126,919,758 |
| Deferred renovation costs (net of accumulated amortization of \$2,561,734 and \$1,555,464) | - | 1,006,270 |
| Deferred financing costs (net of accumulated amortization of \$1,494,295 and \$1,488,344) | 3,794,587 | 3,881,276 |
| Total assets | <u>\$558,217,465</u> | <u>\$504,691,895</u> |
| LIABILITIES AND FUND BALANCE | | |
| Lease revenue bonds payable, (net of discount of \$134,574 and \$142,514) | 288,810,426 | 288,247,486 |
| Lease revenue notes payable | 16,515,000 | 16,710,000 |
| Advances from State Treasurer | 6,816,883 | - |
| Accounts payable and accrued expenses | 11,879,779 | 12,737,542 |
| Accrued workers compensation costs | 22,473 | 22,150 |
| Accrued vacation | 329,004 | 256,329 |
| Interest payable | 2,441,878 | 2,304,568 |
| Retentions payable | 5,570,633 | 3,196,776 |
| Deferred revenue | 18,725,629 | 15,522,129 |
| Total liabilities | 351,111,705 | 338,996,980 |
| Fund balance | <u>207,105,760</u> | <u>165,694,915</u> |
| Total liabilities and fund balance | <u>\$558,217,465</u> | <u>\$504,691,895</u> |

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

for the years ended June 30, 1998 and 1997

| | <u>1998</u> | <u>1997</u> |
|--|----------------------|----------------------|
| Revenues: | | |
| Maryland state lottery revenues: | | |
| Interest on capital leases | \$ 16,244,971 | \$ 16,130,152 |
| Revenue in excess of lease payments | 13,904,029 | 13,080,848 |
| Capital leases interest | 3,939,212 | 3,103,092 |
| Interest income on investments | 525,887 | 3,239,563 |
| Interest on note receivable | 565,286 | 555,108 |
| Admission tax | 8,897,508 | 7,330,784 |
| Stadium rental | 6,858,310 | 5,942,780 |
| Building rental | 2,334,524 | 1,843,051 |
| Contribution from the City of Baltimore | 1,000,000 | 1,000,000 |
| Third Party Contributions (Ravens) | 20,000,000 | - |
| Parking receipts | 1,027,508 | 921,386 |
| Commissions and royalties | 413,406 | 453,897 |
| Appropriations from State of Maryland | 2,654,810 | 1,105,206 |
| Other income | 934,448 | 1,114,683 |
| | <u>79,299,899</u> | <u>55,820,550</u> |
| Total revenues | | |
| Expenses: | | |
| Administrative salaries and benefits | 1,350,440 | 1,056,845 |
| Stadium operations | 11,297,885 | 9,001,124 |
| Parking operations | 819,658 | 637,591 |
| Convention center operating deficit | 2,248,085 | 649,600 |
| Contribution to Convention Center improvement fund | 200,000 | - |
| Telephone | 57,195 | 48,021 |
| Travel/conference | 42,653 | 42,504 |
| Contractual services | 476,097 | 694,410 |
| Supplies and materials | 432,486 | 417,940 |
| Subscriptions | 28,793 | 30,353 |
| Depreciation and amortization | 5,385,548 | 4,969,941 |
| Postage and delivery | 24,024 | 20,343 |
| Advertising and printing | 30,569 | 58,234 |
| Interest expense | 15,031,732 | 13,977,712 |
| Insurance expense | 288,818 | - |
| Miscellaneous | 175,071 | 141,785 |
| | <u>37,889,054</u> | <u>31,746,403</u> |
| Total expenses | | |
| Excess of revenues over expenses | 41,410,845 | 24,074,147 |
| Fund balance, beginning of year | <u>165,694,915</u> | <u>141,620,768</u> |
| Fund balance, end of year | <u>\$207,105,760</u> | <u>\$165,694,915</u> |

See accompanying notes.

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 cost approximately \$32 million and is 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 is being provided for by future appropriations by the State, pursuant to the Master Lease. Upon its completion, the Ocean City Center was 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 designed and constructed 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. In 1997, the Authority, issued \$4,640,000 Sports Facilities Lease, Revenue Bonds, Series 1997 as additional funding for the project. Upon completion of the football stadium in 1998, the Authority, will lease the football stadium to the Ravens for thirty full football seasons.

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, 1998, the Authority has not issued any bonds, and 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 (advanced from) / deposited with the State Treasurer was \$(6,958,117) and \$32,743,789 at June 30, 1998 and 1997, respectively. All cash on deposit with the State Treasurer is a cash equivalent as the money is available within a 90 day period.

MARYLAND STADIUM AUTHORITY
NOTES TO FINANCIAL STATEMENTS, Continued

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 \$127,591 and \$117,094 for the years ended June 30, 1998 and 1997, 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 \$164,053 and \$176,660 for the years ended June 30, 1998 and 1997, 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, 1998 and 1997 was \$102,337 and \$163,364, respectively.

Costs associated with the renovation of Memorial Stadium were deferred and amortized over the term that the Ravens were using Memorial Stadium. Amortization expense for each of the years ended June 30, 1998 and 1997 was \$1,006,270. As of June 30, 1998 the costs were fully amortized.

E. Capitalized Interest:

Interest costs of approximately \$20,449,000 and \$20,126,00 were incurred in 1998 and 1997, 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 \$5,423,000 and \$6,149,000 of interest expense less \$591,000 and \$4,648,000 of interest income on unspent bond proceeds, which resulted in net interest capitalization of \$4,832,000 and \$1,501,000 in 1998 and 1997, respectively. Such capitalized costs are included in the investments in excess of leases receivable.

Continued

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

Summary of Significant Accounting Policies, continued:

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.

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 asset leased to the State or the remaining term of the debt issued to finance the underlying asset leased to the State. Amortization expense for the years ended June 30, 1998 and 1997 was \$4,175,972 and \$3,613,757, respectively.

G. Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and judgments 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.

3. Income From State and Municipal Sources:

Proceeds from the sports lotteries aggregating \$32,549,000 and \$31,451,000 for the years ended June 30, 1998 and 1997, respectively, were invested by the State Treasurer for the account of the Authority. During the years ended June 30, 1998 and 1997, the Authority utilized \$18,644,971 and \$17,739,650, respectively, of proceeds received from Maryland State lottery revenues to pay its debt service.

During 1998 and 1997, 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 1997. The Authority holds marketable securities, which are reflected on the balance sheet at fair value and held by the Bond Trustee, that consist of the following:

| | <u>Cost</u> | <u>Market</u> |
|--------------------|-------------|---------------|
| Money Market Funds | \$1,194,233 | \$1,194,233 |

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

Summary of Significant Accounting Policies, continued:

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>1998</u> | <u>1997</u> |
|------------------------------|----------------------|---------------------|
| Admission Tax from the State | \$ 2,460,890 | \$ 1,010,990 |
| Town of Ocean City | 555,239 | 1,198,850 |
| Baltimore Orioles | 3,453,167 | 3,297,036 |
| Other | <u>4,018,589</u> | <u>1,118,631</u> |
| | <u>\$ 10,487,885</u> | <u>\$ 6,625,507</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, 1998 and 1997, the capital leases receivable consists of the following:

| | <u>1998</u> | <u>1997</u> |
|--|-----------------------|-----------------------|
| Total minimum lease payments to be received | \$ 593,893,435 | \$ 612,534,270 |
| Less: Unearned interest income | <u>(288,433,453)</u> | <u>(307,434,270)</u> |
| Principal balance on outstanding debt | 305,460,000 | 305,100,000 |
| Less: Liquid assets to be used in construction | <u>(1,400,668)</u> | <u>(47,012,658)</u> |
| | <u>\$ 304,059,332</u> | <u>\$ 258,087,342</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, 1998 and 1997, the principal amount outstanding on Series D was \$126,280,000 and \$128,485,000, 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> |
|--------------------------------|------------------|-----------------|--------------|
| 1999 | \$2,365,000 | \$9,411,597 | \$11,776,597 |
| 2000 | 2,535,000 | 9,334,340 | 11,869,340 |
| 2001 | 2,725,000 | 9,154,335 | 11,879,355 |
| 2002 | 2,930,000 | 8,959,518 | 11,889,518 |
| 2003 | 3,150,000 | 8,743,430 | 11,893,430 |

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.

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

8. Lease Revenue Bonds, continued:

At June 30, 1998 and 1997, the principal amount outstanding was \$53,120,000 and \$55,000,000, respectively. 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> |
|---------------------------------|------------------|-----------------|--------------|
| 1999 | \$1,970,000 | \$2,952,685 | \$4,922,685 |
| 2000 | 2,065,000 | 2,845,475 | 4,910,475 |
| 2001 | 2,170,000 | 2,731,660 | 4,901,660 |
| 2002 | 2,280,000 | 2,612,066 | 4,892,066 |
| 2003 | 2,405,000 | 2,486,157 | 4,891,157 |

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, 1998 and 1997, 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> |
|---------------------------------|------------------|-----------------|--------------|
| 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 |
| 2003 | 740,000 | 740,744 | 1,480,744 |

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, 1998 and 1997, 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:

**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> |
|---------------------------------|------------------|-----------------|--------------|
| 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 |
| 2003 | 1,745,000 | 4,673,423 | 6,418,423 |

On December 10, 1997, the Authority issued the tax-exempt Sports Facilities Lease Revenue Bonds Series 1997 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 1997 Bonds are payable primarily from the basic rent to be paid by the State under the master Lease. Interest is payable semi-annually at 4.66% per annum.

At June 30, 1998 the principal amount outstanding on the Series 1997 was \$4,640,000. The bonds are term bonds maturing December 15, 2007 with annual sinking fund payments. Annual debt service requirements (principal and interest) on the Sports Facilities Lease Revenue Bonds over the next five years are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|------------------|-----------------|--------------|
| 1999 | \$400,000 | \$ 206,682 | \$ 571,225 |
| 2000 | 400,000 | 188,062 | 576,300 |
| 2001 | 400,000 | 169,442 | 575,200 |
| 2002 | 400,000 | 150,822 | 573,085 |
| 2003 | 400,000 | 132,202 | 574,820 |

Continued

MARYLAND STADIUM AUTHORITY
NOTES TO FINANCIAL STATEMENTS, Continued

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, 1998 and 1997, the principal amount of the remaining 1989 C Notes is \$16,515,000 and \$16,710,000, 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:

| <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> |
|---------------------------------|------------------|-----------------|--------------|
| 1999 | \$ 215,000 | \$ 1,650,855 | \$ 1,865,855 |
| 2000 | 240,000 | 1,630,000 | 1,870,000 |
| 2001 | 265,000 | 1,606,000 | 1,871,000 |
| 2002 | 290,000 | 1,579,000 | 1,869,000 |
| 2003 | 325,000 | 1,550,500 | 1,875,500 |

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

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, 1998 are as follows:

| <u>Year Ending June 30,</u> | <u>Amounts</u> |
|---------------------------------|----------------|
| 1999 | \$ 2,817,322 |
| 2000 | 2,849,409 |
| 2001 | 2,740,085 |
| 2002 | 2,417,851 |
| 2003 | 1,882,256 |

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, 1998, approximately \$15,844,475 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 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.

On June 3, 1998, the Authority entered into certain Interest Rate Swap Agreements, a liquidity guarantee agreement, and certain forward bond purchase and remarketing agreements for the purpose of realizing certain cost savings associated with the refunding of the Series 1994 Convention Center Expansion Lease Revenue Bonds and Series 1996 Sports Facilities Lease Revenue Bonds fixed rate debt. At the call date December 15, 2006 and March 1, 2007 for the Series 1994 and Series 1996 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 \$104,350,000. The Authority will pay all issue costs of the new variable rate debt and premium to call the existing debt. A liquidity guarantee agreement was entered into which guarantees the Authority liquidity for the variable rates 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.

MARYLAND STADIUM AUTHORITY
NOTES TO FINANCIAL STATEMENTS, Continued

For both of the above agreements, 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 swap payment, liquidity fees and remarketing fees. The Authority will receive variable rate payments equal to the payment due on the new debt.

The Authority received \$15,522,129 and \$3,203,500 on April 1, 1996 and June 10, 1998, respectively, pursuant to the above swap agreements as premiums on the swap agreements. These premiums have been recorded as deferred revenues and will be amortized over the life of the corresponding variable rate debt. The receipt of the swap premiums 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, 1998 and 1997, cumulative liquidity fees totalled \$578,015 and \$454, 815, respectively. The fees are included in deferred financing costs. These liquidity fees will be amortized over the life of the new variable rate debt.

PHOTOGRAPHY CREDITS

| <u>PAGE</u> | <u>SUBJECT</u> | <u>PHOTOGRAPHER</u> |
|-------------|----------------------------|---------------------|
| Cover | Stadium Opening | Joe Giza |
| 6 | Club Level | Ron Solomon |
| 7 | NFL Stadium Tour | Nolan Rogers |
| 7 | Camden Yards Event | ARAMARK |
| 7 | Camden Yards Event | ARAMARK |
| 7 | Camden Yards Event | ARAMARK |
| 7 | Taste of Baltimore | ARAMARK |
| 8 | MBE Reception | Nolan Rogers |
| 8 | Morgan University Band | Stella Fulwood |
| 9 | Morgan University Gala | Stella Fulwood |
| 16 | NFL Stadium | Rick Preski |
| 16 | Light Show | Cappy Jackson |
| 17 | Solo Gibbs | Nolan Rogers |
| 18 | Construction Workers Event | Dick Tomlinson |
| 19 | Concert (Stevie Wonder) | Cappy Jackson |
| 19 | NFL Experience | Cappy Jackson |
| 19 | NFL Experience | Cappy Jackson |
| 19 | First Game | Cappy Jackson |
| 21 | Administrative Staff | Nolan Rogers |
| 22 | Facilities Management | Nolan Rogers |
| 22 | Security Staff | Nolan Rogers |