

MARYLAND STADIUM AUTHORITY



1996 ANNUAL REPORT

MARYLAND STADIUM AUTHORITY

PARRIS N. GLENDENING
GOVERNOR



BRUCE H. HOFFMAN, PE.
EXECUTIVE DIRECTOR

THE WAREHOUSE AT CAMDEN YARDS
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JOSHUA I. SMITH
W. ROBERT WALLIS

TO THE GOVERNOR AND MEMBERS OF THE MARYLAND GENERAL ASSEMBLY

We are pleased to present the Seventh Annual Report prepared by the Maryland Stadium Authority for the 1996 calendar year, a period filled with progress and accomplishment.

Following the announcement that the Ravens would begin playing in Baltimore in the 1996 football season, the Maryland Stadium Authority began immediately to plan and design the new football stadium at Camden Yards. In addition, renovations were undertaken for Memorial Stadium which will serve as the home of the Ravens during the two-year construction period.

The Baltimore Convention Center expansion project was brought to a successful conclusion in August and refurbishment of the original building began with completion slated for April, 1997.

Expansion of the Ocean City Convention Center progressed smoothly and plans continued to evolve for the Montgomery County Conference Center.

Oriole Park at Camden Yards remained a center of activity for both baseball-oriented and non-game activities and The Warehouse at Camden Yards continued to attract tenants.

New challenges await the Maryland Stadium Authority in 1997- challenges that we are confident can be met with the continuing support of the Governor and the Maryland General Assembly.

Sincerely,

Handwritten signature of John A. Moag, Jr.

John A. Moag, Jr.
Chairman

Handwritten signature of Bruce H. Hoffman.

Bruce H. Hoffman
Executive Director

HIGHLIGHTS OF 1996

The 1996 Calendar Year began on both a high note and at a rapid pace for the Maryland Stadium Authority.

The Winter of 1996's extreme weather presented major challenges for the team assembled to ensure that the expansion of the Baltimore Convention Center was completed in time for its scheduled opening in September. This, coupled with other construction issues, resulted in an ever-increasing level of effort being required to meet budget and schedule commitments. Every difficult matter was, however, addressed by the dedicated project team.

Significant milestones were achieved on the project to expand the Ocean City Convention Center, an undertaking scheduled for completion in August, 1997.

The Stadium Authority continued to work closely with its local partners on the Montgomery County Conference Center.

Following the announcement by Art Modell that he would relocate his team from Cleveland to Baltimore, it was essential that the process of planning, design and construction of the new football stadium at Camden Yards begin to ensure completion for the 1998 National Football League (NFL) season. First, however, it was necessary to acquire final approvals from both the National Football League (NFL) and the Maryland General Assembly to relocate the team and implement plans for the Camden Yards facility.

To accommodate the Raven's immediate needs, renovations began on Memorial Stadium which will serve as a temporary home for the team during construction of the Camden Yards stadium. In addition, an intensive effort was made to ensure that access to and parking needs for football fans travelling to Memorial Stadium were met to the extent possible.

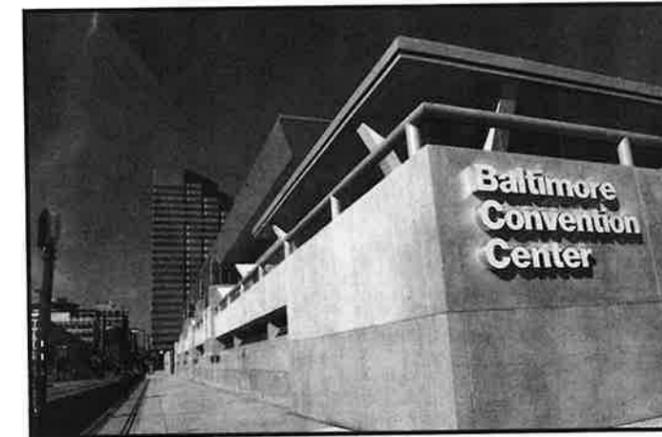
Maryland Stadium Authority Chairman, John A. Moag, Jr., received an assortment of honors from many organizations for his work in returning the NFL to Baltimore, including being named Sportsman of the Year by the Sports Boosters of Maryland. Other honors received included those from the Greater Baltimore Committee, Loyola MBA Alumni Association, Washington College Alumni, Better Business Bureau and the Maryland Chamber of Commerce to name but a few.

Oriole Park at Camden Yards continued to establish both records and set standards for Major League Baseball parks throughout the United States.

The staff of the Maryland Stadium Authority received recognition for its increased participation in the Maryland Charity Campaign.

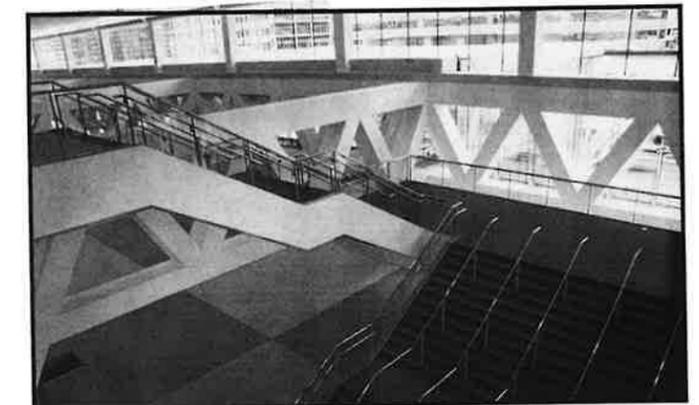
Interest in tours of the facility remained high, game attendance reached new levels and the number of events held at Camden Yards continued to grow.

BALTIMORE CONVENTION CENTER



Baltimore Convention Center Expansion

Despite the worst winter in more than 50 years, construction on the expansion portion of the Baltimore Convention Center was completed and the facility opened on schedule on September 6, 1996. A gala event was held for out-of-town meeting planners and travel representatives to acquaint them with the many state-of-the-art features of the \$151 million dollar facility.



*Baltimore Convention Center Expansion
Pratt Street Lobby*

The Camden Terrace, facing Oriole Park at Camden Yards, provides a unique outdoor space for receptions, special functions or use for relaxation between meeting sessions.



*Baltimore Convention Center Expansion - Gala
September 6, 1996*

The expansion tripled the size of the Convention Center including a multi-functional 36,672 square foot ballroom, the largest in Maryland. Meeting space can be modified to accommodate groups of 50 to 1,600.



The Warehouse at Camden Yards as seen from the Camden Terrace of the Baltimore Convention Center Expansion.

The entire facility offers flexibility in size, lighting, sound systems and seating arrangements.

To ensure meeting the established deadlines while building this first-class facility, the construction team, lead by Kim McCalla of the Maryland Stadium Authority, and consisting of Gilbane Building Company (Construction Manager), Cochran, Stephenson & Donkervoet and Loschky, Marquardt & Nesholm (Architectural Team), the contractors and sub-contractors worked diligently, 16-hours per day, 7 days per week. The new facility opened on time and has remained in full operation since September.

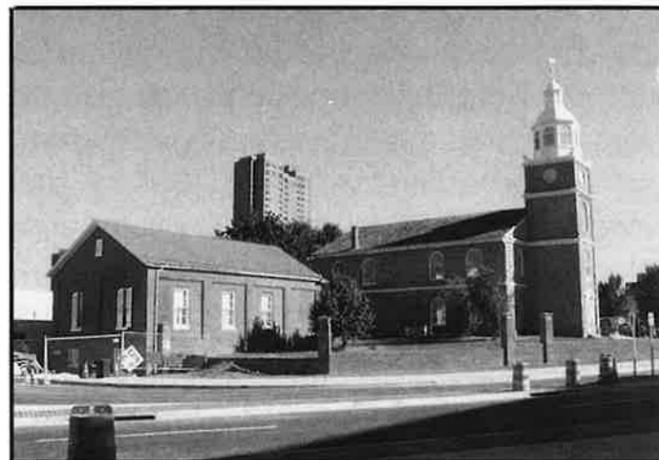
Craftsmanship Awards from the Building Congress and Exchange of Metropolitan Baltimore have been awarded to this facility for excellence in mechanical piping and electrical work. In addition, an award was given for excellence in metal ceiling and lighting canopy work.

The project exceeded the goals established for both Minority Business Enterprise (MBE) and Women's Business Enterprise (WBE) of 20 and 3 per cent respectively.

During construction, traffic in the area surrounding the Convention Center was impacted by changes to Conway Street, the closing of Sharp Street and changes to Hopkins Place. Improvements to these locations have been completed and traffic patterns have now returned to normal.

Immediately following completion of the expanded portion, renovations to the original building began. These improvements will be completed by April, 1997. In the interim, all events will be held solely in the new portion.

The first event scheduled at the Convention Center which will utilize the entire facility is the National Association of College Stores Convention scheduled for mid-April, 1997.



Old Otterbein Methodist Church

The Old Otterbein Methodist Church, a structure more than 226 years old, stood on the edge of construction activities throughout the project. During that phase, no damage was inflicted to the building but the church yard "disappeared." The yard has been rebuilt and the church now has returned to operating under normal conditions.

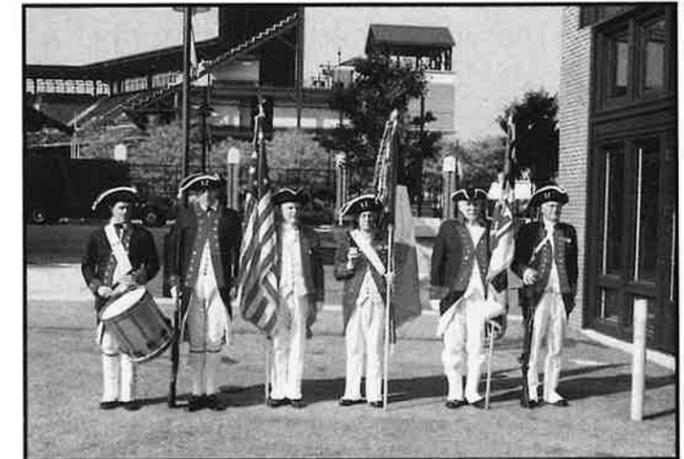
CAMDEN STATION

During 1996, the Maryland Stadium Authority continued its efforts to once again transform Camden Station into a vital part of Baltimore by working closely with the Babe Ruth Museum as they attempted to finalize their financing plan for renovation of the Station. Following minor setbacks early in the year, the Museum's efforts rebounded during the summer driven by a \$1 million pledge from the Baltimore Orioles. A complete financing plan for restoration of the station should be completed early in 1997.



Aerial View of Camden Station and Oriole Park at Camden Yards

Once the financing plan is finalized and approval secured from the Stadium Authority, design and renovation of the Station will begin. Once approved and underway, the entire project is expected to take 16 months.



Color Guard at Dedication of Plaque to General Rochambeau

Although development plans were delayed, Camden Station was the scene of an historic event in October. Representatives of "Le Souvenir Francais", a French patriotic organization dedicated to memorializing the support of the French to the United States during the American Revolution, visited the Station. This group dedicated a plaque to General Rochambeau whose troops were encamped at Camden Yards on two occasions. A formal ceremony was held with participation by the Maryland Color Guard, the National Society of Sons of the American Revolution, Daughters of the American Revolution, Le Souvenir Francais and the Maryland Stadium Authority. When renovations to the Station are complete, the commemorative plaque will be permanently affixed.

MONTGOMERY COUNTY CONFERENCE CENTER

The Maryland Stadium Authority has worked closely with the Governor's Office, the Maryland General Assembly and the Montgomery County government to gain approval and financing for the Montgomery County Conference Center. This public-private partnership consisting of the Stadium Authority, Montgomery County and Quadrangle Development Corporation/Marriott International, Inc. will be responsible for designing, building and operating a \$60 million hotel / conference center at the White Flint Metro Stop. The Stadium Authority and the County will share funding equally for the conference center with Quadrangle / Marriott being responsible for financing the hotel portion of this project.

The Montgomery County Conference Center will result in many benefits for the County and State, including attracting non-resident groups currently not meeting in Montgomery County due to a lack of adequate facilities. In addition, the new Center will be able to service the needs of "high-tech" businesses. Montgomery County is home to more than 70 per cent of all high-technology companies located in Maryland. Seventeen (17) Federal agencies, including The National Institutes of Health, Food and Drug Administration, Nuclear Regulatory Commission and the National Oceanic and Atmospheric Administration, are located in Montgomery County and will most certainly avail themselves of this facility. In addition, there are more than 230 community associations

in the area for which the Conference Center will provide a venue for meetings.

These entities are currently utilizing facilities outside Montgomery County and the State of Maryland (Northern Virginia and Washington, D.C.) to accommodate their needs for larger conferences. This practice results in a loss of jobs, spending and tax revenues to the State and County. Construction of the Montgomery County Conference Center, located in an easily accessible location (via subway and interstate highway) will return these jobs and revenues to Montgomery County and the State of Maryland.

The new conference center will be the largest meeting facility in Montgomery County and one of the largest in the Washington, D.C. Metropolitan Area. The largest ballroom in the Maryland / Virginia suburbs (23,300 square feet) will be located in this Center. In addition, more than 13,000 square feet of meeting rooms, classrooms, board rooms and an 80-seat amphitheater will be contained within the Conference Center. There will also be 20,000 square feet of public open space which may be utilized for exhibits, receptions and pre-function events. Plans call for the Conference Center to be equipped with state-of-the-art amenities and equipment.

The Montgomery County Conference Center is another example of the Maryland Stadium Authority's partnership with a local jurisdiction that will result in benefits for the subdivision and the State.

THE NFL RETURNS TO BALTIMORE

After nearly twelve years, the efforts of the Governor's office, the Maryland Stadium Authority, the Baltimore business community and the fans finally paid off with the Ravens' arrival in Baltimore. At the 1996 session of Maryland General Assembly funding for the new football stadium at Camden Yards was approved and on February 9, 1996, National Football League (NFL) owners approved the transfer of Art Modell's franchise from Cleveland to Baltimore. Baltimore's new team brings with it a long history of success in the NFL, including competition in 20 postseason contests, 4 NFL Championship games, 3 AFC Championship games and a victory in the 1964 NFL title game. Former Baltimore Colts' coach, Ted Marchibroda, who led the Colts to 3 consecutive AFC East titles during his first tenure in Baltimore, (1975-79) also returned to lead the Ravens.

During the two-year construction period for the new football stadium at Camden Yards, the Ravens will play their home games at Memorial Stadium. Memorial Stadium was modified in 1953 as the home for Baltimore's new football team, the Colts. When the Orioles' franchise was awarded to Baltimore, Memorial Stadium also became the home for our baseball team. Since the Colts' departure in 1984 and the Orioles' move to Camden Yards in 1992, the stadium

has served as home for the Baltimore Stallions, the Bowie Baysox and an assortment of community events.

With the return of the National Football League, the Maryland Stadium Authority assumed management of Memorial Stadium and immediately began working on improvements to the facility. A grant of \$2 million was appropriated by the Maryland General Assembly for these improvements.

Renovations to the home team locker room were a major undertaking.

More than 12,000 aluminum bleacher seats were installed bringing the capacity of the stadium to more than 65,000. Approximately 6,000 of these seats are in the north end zone with 3,000 on each sideline.

Improvements were made in the area behind the north end zone including installation of both concession and portable restroom facilities. New walkways were also added for the fans in this area.

Both the architectural and electrical components of the Press Box were enhanced. Lighting in the stadium was upgraded substantially to meet NFL standards and major repairs were made to the sound system, scoreboard and plumbing systems.



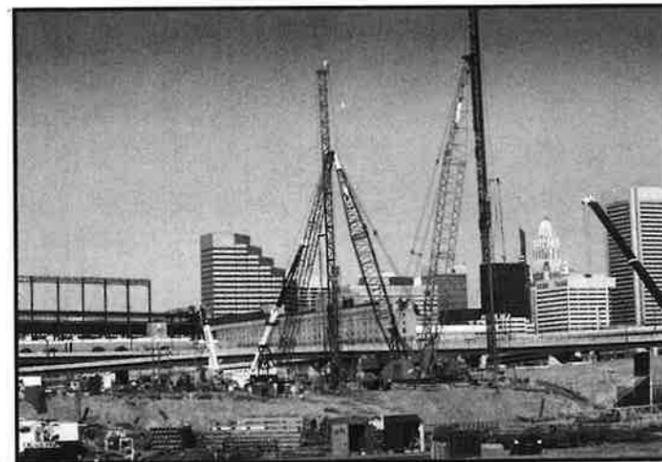
Aerial View of Memorial Stadium - First Ravens' Game

Prior to the Ravens' first pre-season game at Memorial Stadium and continuing throughout the first half of the season, a major information campaign was launched. Careful studies were made and numerous meetings held between representatives of the Stadium Authority, the Mass Transit Administration, the Baltimore City Transportation agencies and the Baltimore City Police Department to ensure preparation of the most efficient transportation and parking plan possible given the somewhat difficult access and limited parking facilities in the area. The plan proved most successful with record numbers of fans utilizing mass transit to and from Memorial Stadium. In fact, during 1996, MTA park-and-ride buses established the highest usage of bus transit for NFL games for any stadium in the country.

While Memorial Stadium's original design precludes any major design modifications to make it acceptable in the long-term for an NFL team, every effort has been made to enhance the facilities

for both the team and the fans during the two-year use period.

The team assembled to build the new stadium, led by Alice Hoffman of the Stadium Authority, consists of the architectural firm of Hellmuth, Obata and Kassabaum, Sport (HOK) and the Joint Venture Construction Management firm of Whiting Turner / Barton Malow / Essex. This team is working diligently to ensure the successful and timely completion of the new NFL Stadium.



Construction Site - Baltimore's New NFL Stadium at Camden Yards

The seven-level, \$200 million stadium project is financed with proceeds from the sale of tax-exempt revenue bonds with debt service being paid by lottery proceeds and other revenues generated by the Maryland Stadium Authority. Although the football stadium will be 1.6 million square feet as opposed to 1.0 million square feet for the baseball park, the total design and construction process must be completed by July, 1998, allowing only 30 months - 6 months less than required for Oriole Park at Camden Yards. The project is currently on budget and on schedule.



Groundbreaking Ceremony - Baltimore's New NFL Stadium at Camden Yards

On July 23, 1996, the first official football ceremony took place on the Camden Yards site. Governor Parris N. Glendening joined Maryland Stadium Authority Chairman, John A. Moag, Jr., and Bruce H. Hoffman, Executive Director, Baltimore Mayor Kurt L. Schmoke, Ravens team owner, Arthur B. Modell, State Comptroller Louis L. Goldstein, State Treasurer Richard Dixon and many other State, City and Ravens' officials in breaking ground for the new NFL stadium now under construction.



Groundbreaking Ceremony - Baltimore's New NFL Stadium at Camden Yards

The stadium design, with brick arches and steel trim will complement the highly-praised design of Oriole Park at Camden Yards as well as blending with the industrial feel at the southern end of the Camden Yards site.



Artist's Rendering of New Football Stadium at Camden Yards

Ticket prices, as determined by the Ravens, are available and affordable with more than 50 per cent of seats in the new stadium priced at \$35 or less. Pricing for all seats will be frozen for three years (1998 - 2000).

As of November, 1996, of the \$180 million dollar construction budget, contracts totaling \$22 million have been awarded. The majority of these contracts were awarded to businesses located within the State of Maryland.

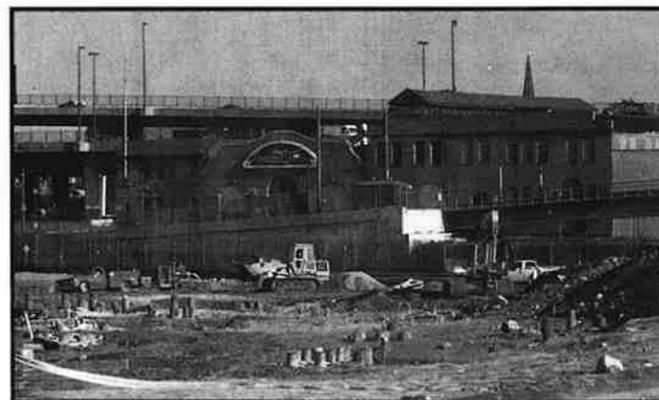
As is the case with all projects undertaken by the Maryland Stadium Authority, the commitment remains to achieving maximum participation by Minority Business Enterprise (MBE). The football stadium has the ambitious goal

of 23 per cent MBE participation, representing approximately \$40 million in contracts. To ensure that this goal is met, the project has been broken down into more than 100 contracts and aggressive MBE goals established for each. Outreach seminars were held in June with more than 2,000 notices sent to MBE firms certified by either the State of Maryland, Baltimore City or Prince George's County. Approximately 200 firms attended these seminars.

When Oriole Park at Camden Yards opened in 1992, there were 5,300 on-site parking spaces. Approximately 2,600 parking spaces have been lost due to football stadium construction. The Maryland Stadium Authority retains its commitment to providing adequate parking for both football and baseball fans and is in the process of acquiring additional properties within the Camden Yards footprint, including Hammerjacks, Greenbaum's, and Lee Furniture, for utilization as parking facilities. It is expected that more than 4,000 parking spaces will be available on the Camden Yards site in time for the opening game of the Orioles 1997 season. In addition, arrangements have been made to continue leasing space at the University of Maryland at Baltimore and other nearby properties to replace parking spaces lost to construction activities.

Ease of access to the Camden Yards' site has been clearly demonstrated at Oriole Park at Camden Yards. Like the

ballpark, the football stadium also will be served by the interstate system, MTA park-and-ride buses, 22 regular route buses operating within an easy walk of the stadium and the Light Rail System. In fact, a new light rail station will be built south of Hamburg Street to directly serve the football stadium.



Construction Site - Baltimore's New NFL Stadium at Camden Yards

Once inside the stadium, fans will have more than 70 large restrooms available - nearly triple the number at Memorial Stadium. There will be a minimum of 50 concession stands throughout the stadium resulting in more than 200 points of sale for refreshments. Plans call for local and regional food favorites as well as traditional football fare.

Moving around the Camden Yards stadium will be a tremendous improvement over Memorial Stadium with 60-foot wide and 40-foot wide concourses on the lower and upper levels respectively. These widths are even greater than those at Oriole Park at Camden Yards to accommodate the larger football crowds.

Several design features planned for the Camden Yards stadium will distinguish it from all other NFL facilities throughout the country. For example, the upper deck end zone seating will be separated from the upper deck sideline seating, enabling fans to view the Baltimore skyline through the openings between these sections. This architectural feature also permits the lowering of the upper level end zones, making these seats closer to the field than is the case in any other stadium in the NFL. Almost unbelievably, the lower front row seats in the area are only 20 feet from the end zone! On the sidelines, the front row of the lower level is elevated 6 feet off the ground and only 50 feet from the sideline. Incredible sightlines will exist throughout the stadium with no obstructions from posts or columns.



Construction Site - Baltimore's New NFL Stadium at Camden Yards

Additional state-of-the-art amenities planned for the Camden Yards football stadium include a sound system enabling fans to clearly hear the public announcements and entertainment in their seats, on the concourses and in the rest-

rooms. This system also precludes the sound from "leaking" into the surrounding communities.

Modern scoreboards and color replay boards will be installed at the Club Level of each end zone. Television monitors will be placed throughout the concourses and the seats will be wider and more comfortable than those at Memorial Stadium and have individual cup holder for fans.



Stephan's Visit to the Construction Site of Baltimore's New NFL Stadium at Camden Yards

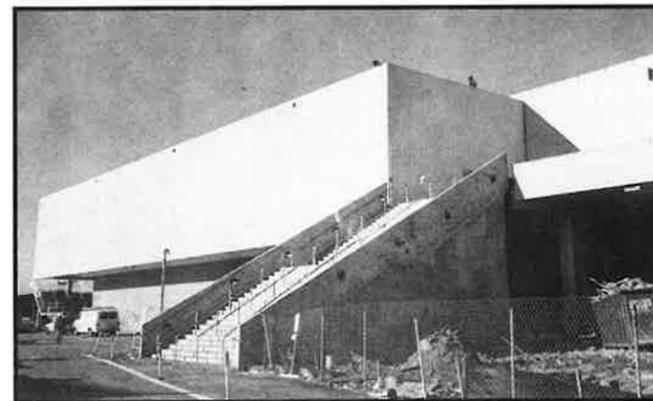
The football stadium construction project is on an intense schedule with tight budget constraints. The pressure on the project management team and the workers is at times overwhelming. Time was taken, however, to bring happiness to one young boy. The Stadium Authority was contacted by a representative of the "Make a Wish Foundation," an organization which endeavors to fulfill the final desire of a terminally ill child. In this instance, a five-year old boy, Stephan, wanted to visit a construction site. The leaders of the project team, along with many construction workers and heavy equipment operators,

took time on a Saturday in September to give Stephan a tour of the stadium construction site. Stephan rode in and operated (with a little assistance) a backhoe, a truck and a bulldozer. He also closely observed the crane and pile driver. Stephan was presented with his very own Ravens' construction hard hat, a football signed by all the construction workers and a working model of the crane. The pleasure given to Stephan that day was shared by the entire project team.

The excellence of Oriole Park at Camden Yards set the national standard

for the planning and construction of baseball parks. The Maryland Stadium Authority is committed to achieving a similar accomplishment with the NFL stadium. We are proud not only of our role in returning the NFL to Baltimore but also for the opportunity to work closely with the Ravens, HOK, Barton-Malow / Whiting Turner / Essex and other members of the project team on the planning and construction of another outstanding facility for the State of Maryland and Baltimore City.

OCEAN CITY CONVENTION CENTER



South Entrance to Ocean City Convention Center

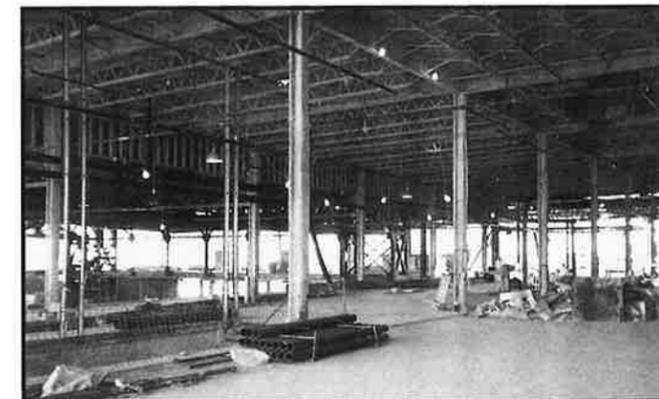
Substantial progress was made on the Ocean City Convention Center expansion project in 1996 and everything is on track for opening in October, 1997. Several significant milestones were achieved in 1996, including demolition of the vehicle ramp that serviced the original main exhibit hall on the second level and final erection of structural steel in December. These two accomplishments have changed dramatically the view of the landscape as seen from Coastal Highway and permitted a glimpse of how exciting the new expanded Convention Center will be.

The total expansion and renovation is budgeted for \$31.75 million with The Maryland Stadium Authority and the Town of Ocean City contributing equally. This fast-tracked project is proceeding on schedule and on budget.

The construction team for the expansion project, headed by Gary McGuigan of the Maryland Stadium Authority, includes the Joint Venture of Hardin Contractors of Atlanta, Georgia and SPN of Silver Spring, Maryland. The architectural firm is Rosser International, also based in Atlanta.

The Ocean City Convention Center expansion will double the size of the original center. A new 50,000 square foot exhibit hall is under construction and an

additional 25,000 square feet of space will be utilized for meeting rooms. The original main exhibit hall will be converted into a ballroom. All of these spaces will be equipped with operable partitions to permit maximum use of each area.



Ocean City Convention Center Visitor's Center Under Construction

The Ocean City Convention Center has remained in operation throughout the entire construction process. The simultaneous building of the expansion space and performing renovations to the original facility have proven most challenging. The impact on the activities of the Ocean City Convention Center, however, has been minimal due in large measure to the dedicated efforts of the project team.

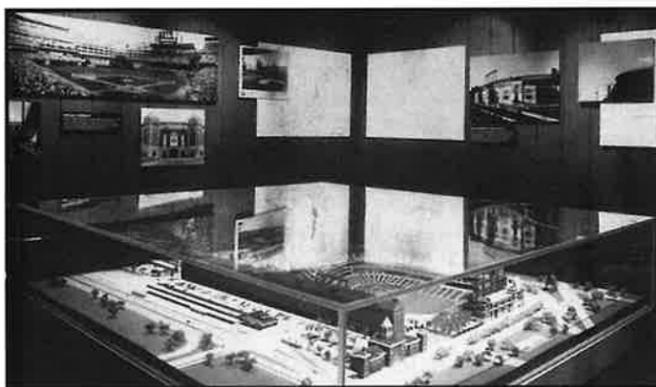
At the end of 1996, nearly 40 per cent of the project was completed and 90 percent of the contracts awarded. The majority of these contracts were awarded to Maryland resident businesses through an extensive outreach effort made prior to each bid offering. The Maryland Stadium Authority anticipates attaining the established MBE goal of 14 per cent.

The extensive cooperation between the partnership of the Town of Ocean City and the Stadium Authority will result in the successful completion of the Convention Center project and its opening in October, 1997.

ORIOLE PARK AT CAMDEN YARDS

Oriole Park at Camden Yards, the first project of the Maryland Stadium Authority, continued to earn praise and distinction throughout its fifth season.

Oriole Park at Camden Yards "made it into the National Baseball Hall of Fame and Museum." The replica model of Oriole Park at Camden Yards is on loan to the National Baseball Hall of Fame in Cooperstown, New York where it serves as the centerpiece for the exhibit on the new wave of baseball stadiums.



Replica Model of Oriole Park at Camden Yards in the Hall of Fame

As a part of the commitment of the Maryland Stadium Authority to ensuring that Oriole Park at Camden Yards remains a first-class facility, a strict maintenance schedule is followed and improvements to the facility continue to be made. During 1996, for example, a canopy was installed over the escalator, additional illumination was placed at the Schaefer Circle entrance to the ballpark, improved seat fasteners were installed to reduce required maintenance, general painting was performed throughout the ballpark, including the warning track, and many enhancements were made to the ballpark's landscaping.



Entrance to Oriole Park at Camden Yards

Tours of the ballpark continued to be very popular with approximately 60,000 visitors passing through its gates in 1996. Schools throughout the area and from many parts of the East Coast now include a visit to Oriole Park at Camden Yards as a part of their curriculum and/or annual field trips. In fact, more than 230,000 visitors have toured the ballpark since 1992.



Tourists at Oriole Park at Camden Yards

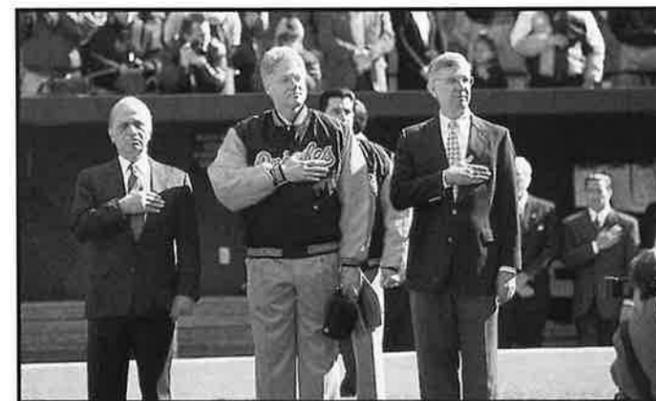
The attraction of Camden Yards also has an impact on the booking of non-baseball events. The Camden Yards' facilities continue to attract seminars, job fairs, wedding receptions, bar mitzvah

celebrations and training sessions as well as events on the parking lots. More than 400 non-baseball events were held during 1996.



Wedding Reception at Oriole Park at Camden Yards

The appeal of Oriole Park at Camden Yards also generated interest in the rental of office space in The Warehouse at Camden Yards. Approximately 308,000 square feet of leasable space is available in the Warehouse. Lease agreements are held with eleven tenants for a total of 273,000 square feet of space. Commitments are in place for an additional 11,000 square feet. This leaves approximately 24,000 square feet of space not leased at the end of December, 1996.



(Left to Right) Peter Angelos, President Clinton and Governor Glendening - Opening Day, Oriole Park at Camden Yards

The Baltimore Orioles continued to thrill baseball fans. Beginning the season on a hot streak, winning 11 of 13 games, the team faltered a bit during mid-season but finished in a strong position, clinching the American League Wildcard spot for post-season play.



Opening Day - Oriole Park at Camden Yards

Several Oriole players achieved individual accomplishments including Cal Ripken breaking the world record previously held by Sachio Kinugasa of Japan for consecutive games played (2,215).



Cal Ripken Accepts Congratulations from Sachio Kinugasa

Eddie Murray hit his 500th career home run. Brady Anderson, with 50 home runs, broke the 49 home run record established by Frank Robinson in 1966 and Raphael Palmeiro set a new standard for RBI's with 142, the most since Jim Gentile had 141 in 1961.



Brady Anderson

Baltimore's baseball fans were selected as the best fans in Major League Baseball according to a *USA Today* survey.



Baltimore Orioles and Cleveland Indians
Line Up for Post-Season Play

Oriole game attendance was 3,646,950 during the regular season, a new team record.

The three longest games in Major League history involved the Orioles during the 1996 season.

Four players (Palmeiro, Anderson, Bonilla and Ripken) set a record by having more than 100 RBI's in a season; seven players (Anderson, Palmeiro, Bonilla, Ripken, Hoiles, Alomar and Surhoff) each had 20 or more home runs and the team broke the Major League Baseball record of (240) home runs in a season with 251.

FINANCIAL REPORT

Throughout its ten years of existence, the Maryland Stadium Authority has received unqualified "clean" opinions of its financial statements from the outside auditors, Coopers & Lybrand, L.L.P. Fiscal Year 1996 was no exception.

Fiscal Year 1996 was also a financially successful year. Revenues from sources other than lottery proceeds were up by more than \$5 million. The Stadium Authority's investments increased by more than \$63

million due principally to investment of the proceeds from the sale of 1996 series football lease revenue bonds. Interest received from these investments grew to greater than \$2 million, the result of prudent investments in marketable securities and other short-term security investments.

The total outstanding bond indebtedness of the Maryland Stadium Authority as of June 30, 1996 was \$307,340,000. This indebtedness consisted of the following:

TOTAL OUTSTANDING BONDS JUNE 30, 1996

Football Lease Revenue 1996 Series Bonds	\$ 87,565,000
Ocean City Lease Revenue 1995 Series Bonds	17,340,000
Baltimore Convention Center Expansion Lease Revenue Bonds Series 1994	55,000,000
1989 Baseball Series D Bonds	130,545,000
1989 Baseball Series ABC Notes	<u>16,890,000</u>
	<u>\$307,340,000</u>

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 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.



NORMAN M. GLASGOW

Norman M. Glasgow also became a member of the Maryland Stadium Authority on July 1, 1993 when the Authority's responsibilities were increased to include the Convention Center expansion. Mr. Glasgow is a Senior Principal with the Bethesda firm of Wilkes, Artis, Hedrick & Lane and has served as the Governor's appointee to the Baltimore Convention Center Authority Re-Districting Advisory Committee, Task Force for Building Performance Standards, Salary Commission and numerous other associations and advisory committees. Listed in *Who's Who in American Law*, Mr. Glasgow is a graduate of the University of Maryland College of Business and Public Administration (B.S.) and the George Washington Law School.



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.



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).



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

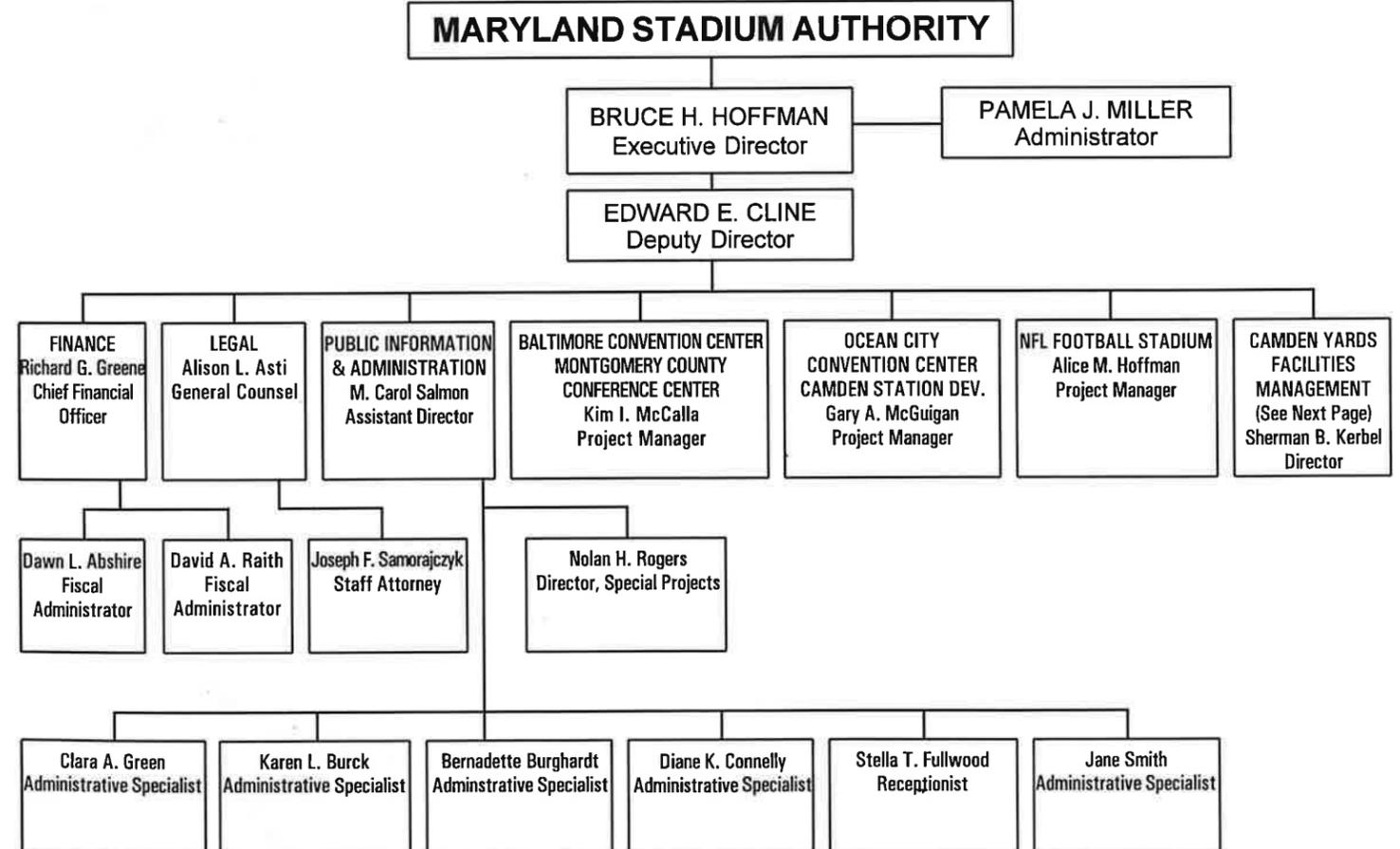
W. Robert Wallis was appointed to the Maryland Stadium Authority in July, 1987. Mr. Wallis has served in many capacities in Maryland State government, including Chairman of the Home Improvement Commission and as a member of the Maryland Food Market Authority. He is a retired editor of the *Aegis* in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

ADMINISTRATIVE STAFF



MARYLAND STADIUM AUTHORITY ADMINISTRATIVE STAFF
Seated (Left to Right) Alison Asti; Ed Cline; Alice Hoffman; Bruce Hoffman; Kim McCalla; Carol Salmon Standing (Left to Right) Stella Fullwood; Dawn Bott; Jane Smith; Gary McGuigan; Pam Miller; Clara Green; Diane Connelly; Dawn Abshire; David Raith; Richard Greene; Nolan Rogers; John Samorajczyk
Missing: Karen Burck; Bernadette Burghardt

ORGANIZATION CHART

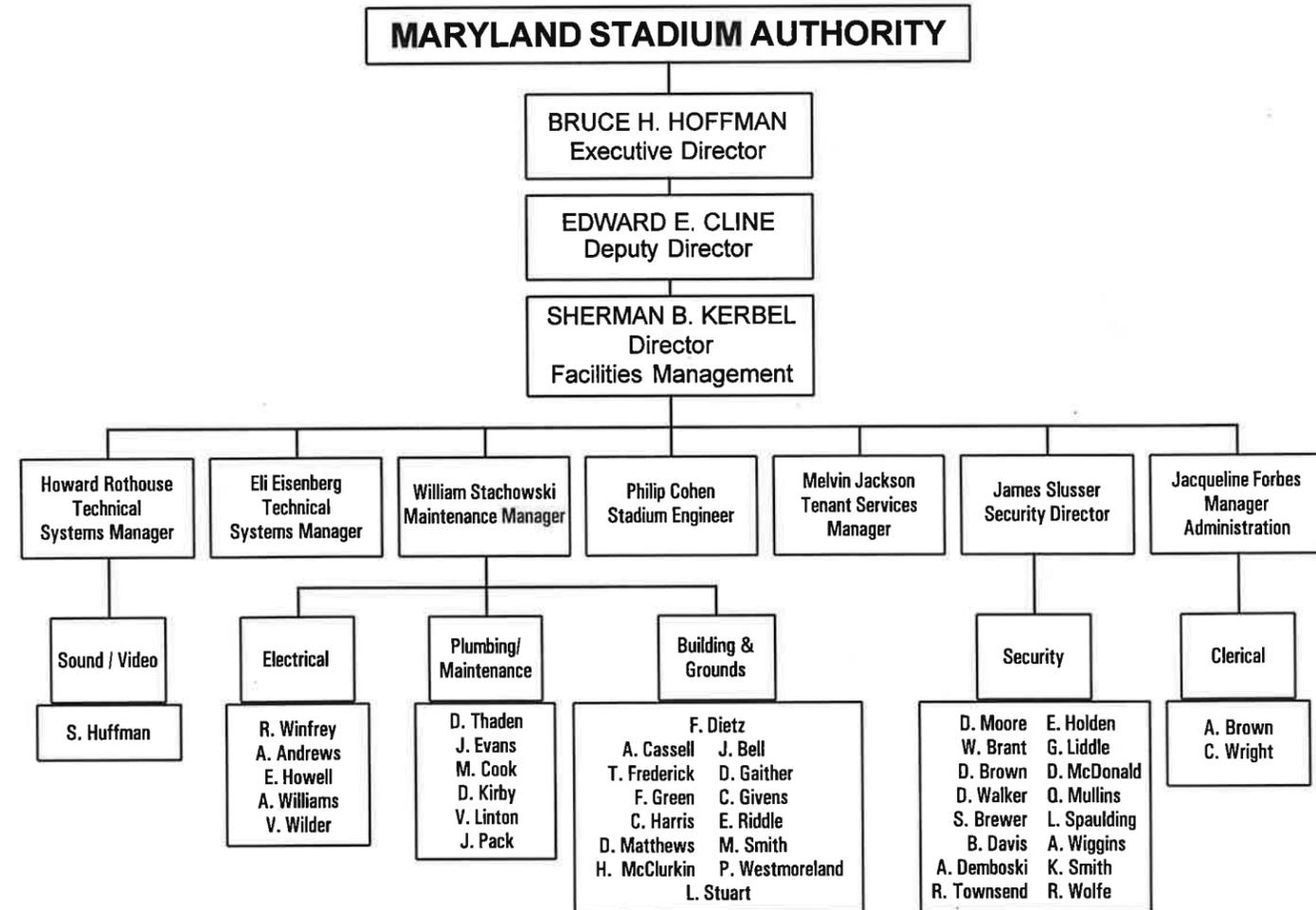


FACILITIES MANAGEMENT



Front Row (Left to Right) Jerone Evans; Delroy Gaither; Francis Green; Alonzo Andrews
 Row Two (Left to Right) Elizabeth Riddle; Lou Stuart; Darryl Matthews; Toni Brown;
 Alvenia Williams; Hugh McClurkin
 Row Three (Left to Right) Rick Pack; Mark Cook; Dave Thaden; Mary Smith;
 Phil Cohen; Dan McDonald; Christie Spaulding; Jackie Forbes; Carolyn Wright;
 Vola Linton; Mel Jackson; Alan Cassell; Cardinal Givens
 Back Row (Left to Right) Rick Hemphill; Scott Huffman; Frank Dietz; Tyrone Frederick;
 Jim Slusser; Vince Wilder; Sherman Kerbel; Ray Winfrey; Bill Brandt;
 Bill Stachowski; Jim Bell

ORGANIZATION CHART



MARYLAND STADIUM AUTHORITY

June 30, 1996

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

REPORT OF INDEPENDENT ACCOUNTANTS

To the Members of the Maryland
Stadium Authority

We have audited the accompanying balance sheet of the Maryland Stadium Authority as of June 30, 1996, and the related statements of revenues, expenses and changes in fund balance and cash flows for the year 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 audit.

We conducted our audit 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 audit provides 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, 1996, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 13, the Authority changed its method of accounting for related party lease transactions and capital contributions for assets under related party leases in 1996.

Baltimore, Maryland
December 16, 1996

**MARYLAND STADIUM AUTHORITY
BALANCE SHEET
June 30, 1996**

ASSETS

Cash on deposit with State Treasurer	\$ 51,584,611
Petty cash	5,000
Marketable securities	101,328,027
Accounts receivable	5,167,247
Lottery receivable	2,909,365
Note receivable	7,359,292
Interest receivable	1,162,433
Furniture and equipment, (net of accumulated depreciation of \$145,918)	328,820
Capital leases receivable	206,018,839
Investments in excess of leases receivable (net of accumulated amortization of \$9,508,226)	102,508,183
Deferred renovation costs, (net of accumulated amortization of \$549,194)	1,098,387
Deferred financing costs, (net of accumulated amortization of \$1,263,128)	3,983,066
Total assets	<u>\$483,453,270</u>

LIABILITIES AND FUND BALANCE

Lease revenue bonds payable, (net of discount of \$150,342)	290,299,658
Lease revenue notes payable	16,890,000
Accounts payable and accrued expenses	11,306,613
Accrued workers compensation costs	19,261
Accrued vacation	217,333
Interest payable	1,888,405
Retentions payable	5,689,103
Deferred revenue	15,522,129
Total liabilities	341,832,502
Fund balance	<u>141,620,768</u>
Total liabilities and fund balance	<u>\$483,453,270</u>

See accompanying notes.

MARYLAND STADIUM AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE
for the year ended June 30, 1996

Revenues:	
Maryland state lottery revenues:	
Interest on capital leases	\$ 12,577,597
Revenue in excess of lease payments	6,086,158
Interest income on investments	1,564,968
Interest on note receivable	591,683
Admission tax	3,690,989
Stadium rental	6,158,493
Building rental	1,111,558
Contribution from the City of Baltimore	1,000,000
Parking receipts	1,120,100
Commissions and royalties	398,273
Appropriations from State of Maryland	352,700
Other income	382,263
	<u>35,034,782</u>
Total revenues	
Expenses:	
Administrative salaries and benefits	1,132,918
Stadium operations	6,961,486
Parking operations	1,111,657
Telephone	52,632
Travel/conference	42,296
Contractual services	744,751
Supplies and materials	311,320
Rent	16,500
Subscriptions	9,316
Depreciation and amortization	3,068,335
Postage and delivery	18,053
Advertising and printing	27,601
Interest expense	12,575,550
Miscellaneous	160,734
	<u>26,233,149</u>
Total expenses	
Excess of revenues over expenditures	<u>8,801,633</u>
Fund balance, beginning of year as previously reported	160,446,698
Prior period adjustments (Note 13)	<u>(27,627,563)</u>
Fund balance, beginning of year as restated	<u>132,819,135</u>
Fund balance, end of year	<u>\$141,620,768</u>

See accompanying notes.

MARYLAND STADIUM AUTHORITY
STATEMENT OF CASH FLOW
for the year ended June 30, 1996

Cash provided from operating activities:	
Excess of revenues over expenses before interest expense, interest revenue, and operating transfers	\$ 556,777
Adjustments to reconcile the excess of revenues over expenses to net cash provided by operating activities:	
Provision for depreciation and amortization	3,068,335
Increase in accounts receivable	(2,288,196)
Increase in accounts payable and other liabilities	1,156,302
Net cash provided by operating activities	<u>2,493,218</u>
Cash flows from non-capital financing activities:	
Operating transfers from State lottery	<u>18,987,281</u>
Net cash provided by non-capital financing activities	<u>18,987,281</u>
Cash flow from capital and related financing activities:	
Proceeds from issuance of bonds	104,752,047
Expenditures incurred on furniture and fixtures	(160,515)
Expenditures incurred on construction project - Oriole Park at Camden Yards	(1,387,181)
Expenditures incurred on construction project - Baltimore Convention Center	(78,798,653)
Expenditures incurred on construction project - Ocean City Convention Center	(4,127,501)
Expenditures incurred on construction project - Football Stadium	(2,974,466)
Expenditures incurred on renovation of Memorial Stadium	(1,047,365)
Contributions for construction of Convention Centers	53,472,402
Capital lease payments	(2,600,000)
Increase in retentions payable	2,857,390
Payment of bonds and notes payable	(2,085,000)
Payment of liquidity fee	(123,201)
Receipt of swap premium	15,522,129
Increase in deferred financing costs	(996,775)
Interest payments	(16,030,571)
Net cash provided by capital and related financing activities	<u>66,272,740</u>
Cash flows from investing activities:	
Interest received	4,088,222
Decrease in note receivable	471,925
Purchase of marketable securities	(101,244,368)
Sale of marketable securities	37,704,435
Net cash used in investing activities	<u>(58,979,786)</u>
Net increase in cash on deposit	28,773,453
Cash and cash equivalents on deposit, beginning of year	<u>22,816,158</u>
Cash and cash equivalents on deposit, end of year	<u>\$ 51,589,611</u>
Non-cash activity:	
Interest capitalized	<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, 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 will lease 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. At June 30, 1996, the Stadium Authority recognized a receivable from the Orioles for \$2,987,293 based upon Orioles revenue through fiscal year 1996. The Orioles rent payment for the remainder of the 1996 baseball season is due on January 31, 1997.

On May 1, 1989, the Authority entered into a lease agreement with the State of Maryland (the "State") whereby the State will lease the land and all facilities constructed thereon in accordance with the provisions of a Master Lease Agreement ("Master Lease") dated May 1, 1989. The State will in turn sublease 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 shall pay 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 will remit 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, and is to contribute \$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, it will be turned over to the City for operation, but will be 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 of 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, 1996, 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 \$37,107,372 at June 30, 1996. 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**

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 \$71,909 for the year ended June 30, 1996.

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 \$123,840 for the year ended June 30, 1996.

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 year ended June 30, 1996 was \$192,318.

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 year ended June 30, 1996 was \$549,194.

E. Capitalized Interest:

Interest costs, of which approximately \$17,303,000 was incurred in 1996, 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 \$4,727,000 of interest expense less \$2,787,000 of interest income on unspent bond proceeds, which resulted in net interest capitalization of \$1,940,000 in 1996. 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.

Any costs incurred in the construction or expansion of the stadiums and convention centers 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 estimated useful life of the underlying asset leased to the State. Amortization expense for the year ended June 30, 1996 was \$2,254,914.

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

2. Summary of Significant Accounting Policies, continued:

G. Estimates:

The preparation of financial statements in conformity with the 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:

Income earned from proceeds of three sports lotteries in 1996 aggregating \$18,663,755 for the year ended June 30, 1996, were invested by the State Treasurer for the account of the Authority. During the year ended June 30, 1996, the Authority utilized \$13,634,560 of proceeds received from Maryland State lottery revenues to pay its debt service. The law allows the Authority to expend up to \$1 million of the lottery funds, plus interest thereon, annually for the operation of the Authority.

During 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 holds marketable securities, which are reflected on the balance sheet at cost and held by the Bond Trustee, that consist of the following:

	<u>Cost</u>	<u>Market</u>
Money Market Funds	\$ 4,148,162	\$ 4,148,162
United States Treasury Obligations	1,357,169	1,347,960
United States Government Agencies	<u>95,822,696</u>	<u>95,828,369</u>
	<u>\$101,328,027</u>	<u>\$101,324,491</u>

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. All investment decisions are made by the Treasurer for the State.

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

5. Accounts Receivable:

Accounts receivable consists of the following at June 30:

	<u>1996</u>	<u>1995</u>
Admission Tax from the State	\$ 568,396	\$ 451,615
Town of Ocean City	855,900	
Baltimore Orioles	3,150,716	2,070,464
Other	<u>592,235</u>	<u>356,972</u>
	<u>\$5,167,247</u>	<u>\$2,879,051</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, 1996, the capital leases receivable consists of the following:

Total minimum lease payments to be received	\$634,485,169
Less: Unearned interest income	<u>(327,145,169)</u>
Principal balance on outstanding debt	307,340,000
Less: Liquid assets to be used in construction	<u>(101,321,161)</u>
	<u>\$206,018,839</u>

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.

Continued

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

8. Lease Revenue Bonds, continued:

At June 30, 1996, the principal amount outstanding on Series D was \$130,545,000. 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>
1997	\$2,060,000	\$9,716,925	\$11,776,925
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

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, 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>
1997	\$ -	\$3,103,098	\$ 3,103,098
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

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, 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 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, 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>
1997	\$ -	\$885,464	\$ 885,464
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

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, 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 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>
March 1, 2006 to and including February 28, 2007	101%
March 1, 2007 and thereafter	100%

Continued

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

8. Lease Revenue Bonds, continued:

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>
1997	\$ -	\$4,322,277	\$4,322,277
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

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, 1996, the principal amount of the remaining 1989 C Notes is \$16,890,000. 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%

Continued

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

9. Lease Revenue Notes, continued:

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

<u>Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1997	\$180,000	\$1,677,918	\$1,857,918
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

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, 1996 are as follows:

<u>Year Ending June 30.</u>	<u>Amounts</u>
1997	\$1,431,501
1998	1,549,010
1999	1,549,010
2000	1,533,935
2001	1,453,190

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, 1996, approximately \$45,147,508 remain to be incurred and paid on these contracts.

Continued

MARYLAND STADIUM AUTHORITY
NOTES TO FINANCIAL STATEMENTS. Continued

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 costs 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, 1996, \$331,615 was paid and is included in deferred financing costs. These liquidity fees will be amortized over the life of the new variable rate debt.

13. Prior Period Adjustments:

The Authority has determined that assets leased to the State under the Master Lease (Note 1) should be accounted for as capital leases. As a result, the Authority has restated its financial statements to reflect the capital leases receivable under the Master Lease, to adjust for related depreciation and amortization and to remove certain contributions for construction costs made by the State and other governmental entities. The net effect of the restatement was a decrease to fund balance of \$27,627,563, which consisted of the following: a decrease of \$32,739,519 for reversal of prior year capital contributions, a decrease of \$5,480,000 for capital lease principal payments that was recorded as income in prior years and an increase of \$10,591,956 for reversal of prior year's depreciation.

PHOTOGRAPHY CREDITS

<u>PAGE</u>	<u>SUBJECT</u>	<u>PHOTOGRAPHER</u>
5	Baltimore Convention Center	Rick Preski
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6	Old Otterbein Methodist Church	Rick Preski
7	Aerial View of Camden Yards	Rick Preski
7	Color Guard	Nolan Rogers
10	Aerial View Memorial Stadium	Rick Preski
10	Football Construction	Nolan Rogers
11	Groundbreaking Ceremony	Rick Preski
11	Groundbreaking Ceremony	Rick Preski
11	Artist Rendering of New Football Stadium	Nolan Rogers
12	Football Construction	Nolan Rogers
13	Football Construction	Nolan Rogers
13	"Make-A-Wish"	Nolan Rogers
15	Ocean City Convention Center	Matt Ramsey
15	Ocean City Convention Center	Matt Ramsey
16	Hall of Fame	Ted Spencer
16	Oriole Park at Camden Yards	Jerry Wachter
16	Camden Yards Tours	Nolan Rogers
17	Camden Yards Event	Jerry Wachter
17	Opening Day	Jerry Wachter
17	Opening Day	Jerry Wachter
17	Cal Ripken	Jerry Wachter
18	Brady Anderson	Jerry Wachter
18	Post-Season Play	Jerry Wachter
21	MSA Administrative Staff	Nolan Rogers
22	MSA Facilities Management Staff	Nolan Rogers

