

**BALLPARK AND REDEVELOPMENT PROJECT**  
**\$205.9 Million Financing Assumptions (pro forma)**  
**\$75.5 million cash funded - \$130.4 million bond proceeds**

The following are the assumptions for this exhibit:

- This is a demonstration of possible allocations based on current revenue projections.
- Actual allocations will be decided annually by the City Council.
- These assumptions do not include any increase in the tax rate on hotel rooms.
- This pro forma does not change the City's current budget; the City's financial obligation for the Ballpark and Redevelopment Project can be met without affecting currently funded programs.
- Fund balances are necessary to provide income necessary for financing payments and the escalation in operating expenses.
- This pro forma assumes a Dec 2001 issuance date for the City's permanent financing for the project, and a taxable interest rate (TIC 7.84%). The actual interest rate will not be known until the bonds are issued.
- Total bond size of \$166.3 million produces \$130.4 million in construction proceeds.

	PRIOR YEARS	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
<b>CITY REVENUES</b>										
Reserve & Balance from Prior Year	\$550,150	\$7,006,915	\$9,170,504	\$12,564,652	\$11,732,731	\$13,312,706	\$10,078,825	\$7,348,234	\$4,967,825	\$2,955,594
Annual Budget Project Allocation	9,808,549	4,775,654	4,990,558	5,215,134	5,449,815	5,695,056	5,951,334	6,219,144	6,499,005	6,791,460
Ballpark /Redev. Project Revenue <sup>1</sup>				783,034	3,460,672	3,954,275	4,570,485	4,752,203	4,920,859	5,077,519
Other Revenue	2,561,109	2,338,796	2,455,593	2,556,297	2,666,716	2,779,867	2,895,873	3,021,963	3,151,171	3,283,638
Cash Funding	24,735,000									
Reimbursement from Costs of Issuance		4,038,779								
Sales Tax - Construction only		500,000	500,000	500,000						
Rent from Padres				250,000	500,000	500,000	500,000	500,000	500,000	575,000
Interest Earnings	513,588	280,277	478,550	614,316	1,183,424	1,246,623	1,117,268	1,008,044	912,828	832,339
<b>TOTAL REVENUES</b>	<b>\$38,168,396</b>	<b>\$18,940,420</b>	<b>\$17,595,206</b>	<b>\$22,483,433</b>	<b>\$24,993,357</b>	<b>\$27,488,527</b>	<b>\$25,113,785</b>	<b>\$22,849,588</b>	<b>\$20,951,688</b>	<b>\$19,515,550</b>
<b>CITY EXPENSES</b>										
<b>Project Financing Payments</b>			<b>\$4,469,209</b>	<b>\$4,114,872</b>	<b>\$8,333,133</b>	<b>\$13,928,933</b>	<b>\$13,930,952</b>	<b>\$13,933,341</b>	<b>\$13,930,458</b>	<b>\$13,931,982</b>
Operating Expense Requirement				1,750,000	3,230,785	3,361,701	3,713,150	3,824,545	3,939,281	4,057,459
Stabilization Reserve Fund		\$2,234,604		4,732,371						
Project Expenditures (Cash)	\$26,421,255	5,813,745								
Costs of Issuance/Negotiation Expenses	3,710,991	1,200,000								
Project Management	1,029,235	521,567	561,345	153,459	116,733	119,067	121,449	123,878	126,355	128,882
<b>TOTAL EXPENSES</b>	<b>\$31,161,481</b>	<b>\$9,769,916</b>	<b>\$5,030,554</b>	<b>\$10,750,702</b>	<b>\$11,680,651</b>	<b>\$17,409,702</b>	<b>\$17,765,551</b>	<b>\$17,881,763</b>	<b>\$17,996,094</b>	<b>\$18,118,324</b>
<b>Reserve for Encumbrances/Continuing Approp.</b>	<b>6,646,668</b>									
<b>BALANCE</b>	<b>\$360,247</b>	<b>\$9,170,504</b>	<b>\$12,564,652</b>	<b>\$11,732,731</b>	<b>\$13,312,706</b>	<b>\$10,078,825</b>	<b>\$7,348,234</b>	<b>\$4,967,825</b>	<b>\$2,955,594</b>	<b>\$1,397,226</b>

<sup>1</sup> Under a Joint Use and Management Agreement ("JUMA") between the City and Padres L.P., Padres L.P. agreed that if the construction of any of these hotels is not completed by a date six months after which Padres L.P. has the right to occupy certain portions of the Ballpark Facility, the City is entitled to certain set-offs to the City's obligation to make operation and maintenance payments. In particular, the failure to timely complete the construction of a hotel would entitle the City to a set-off against the City's annual obligation to pay up to \$3.5 million of certain operation and maintenance expenses ("O&M Expense") related to the Ballpark Facility (subject to adjustment as prescribed in the JUMA). Any such set-off would be subject to an overall annual limit that is equivalent to the amount payable for a particular year by the City as operation and maintenance expenses. The financial projections assume that the Four Star Hotel and the Boutique Hotel are to open by April of 2004, although they may open earlier. The Boutique/Value-Oriented Hotel is not planned to be open until later, due to market conditions, but the City will utilize the set-off described above. The Second Implementation Agreement accepts from John Moores (principal owner of Padres L.P.) and Padres L.P. as co-obligors ("Obligors") a guaranty ("TOT Guaranty") that calls for the annual payment to the City by the Obligors of a sum equal to the amount by which the projected total annual TOT of all the Phase 1 hotels, minus TOT actually produced by the Phase I hotels, exceeds the annual available O&M Expense set-off. The TOT Guaranty will be effective if the Four Star Hotel is not open by April 1, 2004 and shall terminate the earlier the opening of the Four Star Hotel; or b) 54 months after the expiration of the Disposition and Development Agreement for the Four Star Hotel ("Four Star DDA"), provided that TOT Guarantee will become effective only if the Four Star DDA is extended to and including December 31, 2003.

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- This pro forma assumes a Dec 2001 issuance date for the City's permanent financing for the project, and a taxable interest rate (TIC 8.83%). The actual interest rate will not be known until the bonds are issued.
- Total bond size of \$170.0 million produces \$130.4 million in construction proceeds.

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
<b><u>CITY REVENUES</u></b>										
Reserve & Balance from Prior Year	\$1,397,226	\$270,370	\$282,348	\$304,675	\$617,932	\$1,332,642	\$2,214,250	\$3,277,751	\$4,233,376	\$5,065,010
Annual Budget Project Allocation	7,097,076	8,016,445	7,750,185	7,750,185	7,750,185	7,750,185	7,750,185	7,750,185	7,750,185	7,750,185
Ballpark /Redev. Project Revenue <sup>1</sup>	5,242,255	5,478,157	5,724,674	5,982,284	6,251,487	6,532,804	6,826,780	6,826,780	6,826,780	6,826,780
Other Revenue	3,431,401	3,585,814	3,747,176	3,915,799	4,092,010	4,092,010	4,092,010	4,092,010	4,092,010	4,092,010
Cash Funding										
Reimbursement from Costs of Issuance										
Sales Tax - Construction only										
Rent from Padres	575,000	575,000	575,000	575,000	661,250	661,250	661,250	661,250	661,250	760,438
Interest Earnings	770,004	724,930	725,409	726,302	738,832	767,421	802,685	845,225	883,450	916,715
<b>TOTAL REVENUES</b>	<b>\$18,512,963</b>	<b>\$18,650,716</b>	<b>\$18,804,791</b>	<b>\$19,254,245</b>	<b>\$20,111,696</b>	<b>\$21,136,311</b>	<b>\$22,347,159</b>	<b>\$23,453,200</b>	<b>\$24,447,051</b>	<b>\$25,411,138</b>
<b><u>CITY EXPENSES</u></b>										
<b>Project Financing Payments</b>	<b>\$13,931,950</b>	<b>\$13,929,720</b>	<b>\$13,929,650</b>	<b>\$13,930,100</b>	<b>\$13,933,050</b>	<b>\$13,932,100</b>	<b>\$13,931,200</b>	<b>\$13,928,950</b>	<b>\$13,933,950</b>	<b>\$13,929,100</b>
Operating Expense Requirement	4,179,183	4,304,559	4,433,695	4,566,706	4,703,707	4,844,819	4,990,163	5,139,868	5,294,064	5,452,886
Stabilization Reserve Fund										
Project Expenditures (Cash)										
Costs of Issuance/Negotiation Expenses										
Project Management	131,460	134,089	136,771	139,507	142,297	145,143	148,045	151,006	154,026	157,107
<b>TOTAL EXPENSES</b>	<b>\$18,242,593</b>	<b>\$18,368,368</b>	<b>\$18,500,116</b>	<b>\$18,636,313</b>	<b>\$18,779,054</b>	<b>\$18,922,061</b>	<b>\$19,069,409</b>	<b>\$19,219,824</b>	<b>\$19,382,040</b>	<b>\$19,539,093</b>
<b>Reserve for Encumbrances/Continuing Approp.</b>										
<b>BALANCE</b>	<b>\$270,370</b>	<b>\$282,348</b>	<b>\$304,675</b>	<b>\$617,932</b>	<b>\$1,332,642</b>	<b>\$2,214,250</b>	<b>\$3,277,751</b>	<b>\$4,233,376</b>	<b>\$5,065,010</b>	<b>\$5,872,045</b>

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	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
<b>CITY REVENUES</b>												
Reserve & Balance from Prior Year	\$5,872,045	\$6,540,382	\$7,067,853	\$7,438,456	\$7,639,857	\$7,774,426	\$7,722,817	\$7,472,294	\$7,007,279	\$6,309,591	\$5,499,863	\$4,434,208
Annual Budget Project Allocation	7,750,185	7,750,185	7,750,185	7,750,185	7,750,185	7,750,185	7,750,185	7,750,185	7,750,185	7,750,185	7,750,185	7,750,185
Ballpark /Redev. Project Revenue	6,826,780	6,826,780	6,826,780	6,826,780	6,826,780	6,826,780	6,826,780	6,826,780	6,826,780	6,826,780	6,826,780	6,826,780
Other Revenue	4,092,010	4,092,010	4,092,010	4,092,010	4,092,010	4,092,010	4,092,010	4,092,010	4,092,010	4,092,010	4,092,010	4,092,010
Cash Funding												
Reimbursement from Costs of Issuance												
Sales Tax - Construction only												
Rent from Padres	760,438	760,438	760,438	760,438	874,503	874,503	874,503	874,503	874,503	1,005,679	1,005,679	1,005,679
Interest Earnings	948,997	975,730	996,829	1,011,653	1,019,709	1,025,092	1,023,028	1,013,007	994,406	966,499	934,109	891,483
<b>TOTAL REVENUES</b>	<b>\$26,250,453</b>	<b>\$26,945,524</b>	<b>\$27,494,095</b>	<b>\$27,879,521</b>	<b>\$28,203,044</b>	<b>\$28,342,996</b>	<b>\$28,289,322</b>	<b>\$28,028,778</b>	<b>\$27,545,163</b>	<b>\$26,950,743</b>	<b>\$26,108,626</b>	<b>\$25,000,345</b>
<b>CITY EXPENSES</b>												
<b>Project Financing Payments</b>	<b>\$13,933,350</b>	<b>\$13,929,250</b>	<b>\$13,930,400</b>	<b>\$13,932,335</b>	<b>\$13,933,770</b>	<b>\$13,932,220</b>	<b>\$13,930,200</b>	<b>\$13,929,870</b>	<b>\$13,933,035</b>	<b>\$13,931,145</b>	<b>\$13,931,005</b>	<b>\$13,933,710</b>
Operating Expense Requirement	5,616,473	5,784,967	5,958,516	6,137,271	6,321,389	6,511,031	6,706,362	6,907,553	7,114,779	7,328,223	7,548,069	7,774,512
Stabilization Reserve Fund												
Project Expenditures (Cash)												
Costs of Issuance/Negotiation Expenses												
Project Management	160,249	163,454	166,723	170,058	173,459	176,928	180,467	184,076	187,757	191,513	195,343	199,250
<b>TOTAL EXPENSES</b>	<b>\$19,710,072</b>	<b>\$19,877,671</b>	<b>\$20,055,639</b>	<b>\$20,239,664</b>	<b>\$20,428,618</b>	<b>\$20,620,179</b>	<b>\$20,817,028</b>	<b>\$21,021,499</b>	<b>\$21,235,572</b>	<b>\$21,450,880</b>	<b>\$21,674,417</b>	<b>\$21,907,471</b>
<b>Reserve for Encumbrances/Continuing Approp.</b>												
<b>BALANCE</b>	<b>\$6,540,382</b>	<b>\$7,067,853</b>	<b>\$7,438,456</b>	<b>\$7,639,857</b>	<b>\$7,774,426</b>	<b>\$7,722,817</b>	<b>\$7,472,294</b>	<b>\$7,007,279</b>	<b>\$6,309,591</b>	<b>\$5,499,863</b>	<b>\$4,434,208</b>	<b>\$3,092,874</b>

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**BALLPARK AND REDEVELOPMENT PROJECT REVENUE ASSUMPTIONS**

	<i>Opening Date</i>	<i>Number of Hotel Rooms</i>	<i>FY 1998</i>	<i>FY 1999</i>	<i>FY 2000</i>	<i>FY 2001</i>	<i>FY 2002</i>	<i>FY 2003</i>	<i>FY 2004</i>	<i>FY 2005</i>	<i>FY 2006</i>	<i>FY 2007</i>	<i>FY 2008</i>	<i>FY 2009</i>	<i>FY 2010</i>	<i>FY 2011</i>
<b>Ballpark Project Revenue</b>																
<i>Rooms/Revenue</i>	April-04	512							\$596,808	\$2,680,030	\$3,023,321	\$3,125,984	\$3,187,804	\$3,280,579	\$3,379,078	\$3,483,449
<i>Occupancy Rate</i>									63%	69%	75%	76%	75%	75%	75%	75%
<i>Avg Room Rate</i>									\$193	\$199	\$205	\$211	\$217	\$223	\$230	\$237
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<i>Rooms/Revenue</i>	April-04	203							\$186,226	\$780,642	\$829,998	\$952,938	\$1,011,202	\$1,041,544	\$1,072,761	\$1,104,970
<i>Occupancy Rate</i>									63%	63%	65%	73%	75%	75%	75%	75%
<i>Avg Room Rate</i>									\$151	\$159	\$163	\$168	\$173	\$179	\$184	\$189
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<i>Rooms/Revenue</i>	April-06	135									\$100,956	\$491,562	\$553,197	\$598,737	\$625,680	\$653,835
<i>Occupancy Rate</i>											55%	65%	70%	73%	73%	73%
<i>Avg Room Rate</i>											\$142	\$146	\$153	\$160	\$167	\$174
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<b>TOTAL ROOMS/REVENUE</b>		<b>850</b>							<b>\$783,034</b>	<b>\$3,460,672</b>	<b>\$3,954,275</b>	<b>\$4,570,485</b>	<b>\$4,752,203</b>	<b>\$4,920,859</b>	<b>\$5,077,519</b>	<b>\$5,242,255</b>

NOTE: This information is based upon information provided by JMI Realty, Inc.

**Operating Expense Credit Calculations**

	<i>Date</i>	<i>Hotel Rooms</i>	<i>FY 1998</i>	<i>FY 1999</i>	<i>FY 2000</i>	<i>FY 2001</i>	<i>FY 2002</i>	<i>FY 2003</i>	<i>FY 2004</i>	<i>FY 2005</i>	<i>FY 2006</i>	<i>FY 2007</i>	<i>FY 2008</i>	<i>FY 2009</i>	<i>FY 2010</i>	<i>FY 2011</i>
<b>Joint Use &amp; Management Agreement - Exhibit M</b>																
<b>Adjusted Total TOT</b>									\$758,460	\$3,729,887	\$4,197,573					
<b>O&amp;M Calculation</b>																
<i>TOT Credit</i>									\$0	\$269,215	\$243,299					
<i>O&amp;M Expense</i>									\$1,750,000	\$3,500,000	\$3,605,000					
<b>Adjusted O&amp;M Expense</b>									<b>(\$1,750,000)</b>	<b>(\$3,230,785)</b>	<b>(\$3,361,701)</b>					