Notice of a Special Meeting of the
FINANCE COMMITTEE
4 p.m. - Tuesday, November 20, 2012
Council Chambers, Room S249

NOTICE IS HEREBY GIVEN that a special meeting of the Finance Committee will be held **Tuesday, November 20, 2012 at 4 p.m.** in the Council Chambers, Room S249, at the City of Pasadena City Hall, 100 N. Garfield Ave., Pasadena, California.

A. CALL TO ORDER

B. PUBLIC COMMENT

C. INFORMATION ONLY

1. Rose Bowl Renovation Project Update

D. ADJOURN FINANCE COMMITTEE

CHRIS HOLDEN
Chair, Finance Committee

This notice, in its entirety, was posted at City Hall and distributed as indicated below by 5:30 p.m. on Thursday, November 15, 2012.

Sandra Campos for Lori Eubanks,
Recording Secretary

Distribution:
Pasadena City Council
Pasadena Star-News
Pasadena City Clerk
Pasadena Journal
Los Angeles Times
Pasadena City Attorney
La Opinion
Council Chambers Bulletin Board
Pasadena City Manager
Pasadena Weekly
Central Library
City Hall Front Kiosk

Agenda Report

November 20, 2012

TO: City Council Finance Committee

FROM: Andrew Green
Director of Finance

SUBJECT: **GAP FINANCING OPTION FOR ROSE BOWL RENOVATION PROJECT**

RECOMMENDATION:

This report is for information only. No Council action is required.

EXECUTIVE SUMMARY

Unfavorable bid responses will force changes to the project scope to remain within the identified funding levels. Staff is currently working with UCLA and Tournament of Roses (TOR) to determine which scope changes will be implemented. The financing plan has also been modified to address these funding issues. Staff recommends that an issuance of debt and an internal *City loan be approved to address the projects costs of approximately $161 million and* that any project costs above this level be cash funded as equity funds are identified.

Staff has analyzed a number of financing options and is recommending a restructuring of the Rose Bowl portion of the existing 2006 Rose Bowl bonds and a temporary internal City loan of $6 million which would be repaid when the restructured bond proceeds are received. The proposed structure will result in a 2012 bond issue of approximately $58 million, which would consist of restructuring of existing bonds and the issuance of new bonds to net $30 million of proceeds for the Project. The structure of the new money portion will include the issuance of 30 year taxable bonds (60 percent) that will have a fixed five year rate that would reset every five years and 30 year tax-exempt bonds (40 percent) which would have a variable interest based on 1 month LIBOR plus .75 percent. The bonds would be a private placement with Union Bank who own the existing 2006 bonds. The private placement with Union Bank provides the most efficient

Notice of a Special Meeting of the
FINANCE COMMITTEE
4 p.m. - Tuesday, November 20, 2012
Council Chambers, Room S249

NOTICE IS HEREBY GIVEN that a special meeting of the Finance Committee will be held **Tuesday, November 20, 2012 at 4 p.m.** in the Council Chambers, Room S249, at the City of Pasadena City Hall, 100 N. Garfield Ave., Pasadena, California.

A. CALL TO ORDER

B. PUBLIC COMMENT

C. INFORMATION ONLY

1. Rose Bowl Renovation Project Update

D. ADJOURN FINANCE COMMITTEE

CHRIS HOLDEN
Chair, Finance Committee

This notice, in its entirety, was posted at City Hall and distributed as indicated below by 5:30 p.m. on Thursday, November 15, 2012.

Sandra Campos for Lori Eubanks,
Recording Secretary

Distribution:
Pasadena City Council
Pasadena Star-News
Pasadena City Clerk
Pasadena Journal
Los Angeles Times
Pasadena City Attorney
La Opinion
Council Chambers Bulletin Board
Pasadena City Manager
Pasadena Weekly
Central Library
City Hall Front Kiosk

Agenda Report

November 20, 2012

TO: City Council Finance Committee

FROM: Andrew Green
Director of Finance

SUBJECT: **GAP FINANCING OPTION FOR ROSE BOWL RENOVATION PROJECT**

RECOMMENDATION:

This report is for information only. No Council action is required.

EXECUTIVE SUMMARY

Unfavorable bid responses will force changes to the project scope to remain within the identified funding levels. Staff is currently working with UCLA and Tournament of Roses (TOR) to determine which scope changes will be implemented. The financing plan has also been modified to address these funding issues. Staff recommends that an issuance of debt and an internal *City loan be approved to address the projects costs of approximately $161 million and* that any project costs above this level be cash funded as equity funds are identified.

Staff has analyzed a number of financing options and is recommending a restructuring of the Rose Bowl portion of the existing 2006 Rose Bowl bonds and a temporary internal City loan of $6 million which would be repaid when the restructured bond proceeds are received. The proposed structure will result in a 2012 bond issue of approximately $58 million, which would consist of restructuring of existing bonds and the issuance of new bonds to net $30 million of proceeds for the Project. The structure of the new money portion will include the issuance of 30 year taxable bonds (60 percent) that will have a fixed five year rate that would reset every five years and 30 year tax-exempt bonds (40 percent) which would have a variable interest based on 1 month LIBOR plus .75 percent. The bonds would be a private placement with Union Bank who own the existing 2006 bonds. The private placement with Union Bank provides the most efficient

and effective option to meet the evaluation criteria. The estimated annual debt service would be approximately $2.58 million. Staff also updated the 30 year Rose Bowl Stadium proforma to ensure that this financing option could be afforded by the Rose Bowl Operating Company (RBOC). The updated proforma and an updated sources and uses for the project is included as Exhibits A, B, and C. The proposed structure was presented to the RBOC Finance Committee on November 7, 2012 as an information only item and will be presented to the RBOC Board on November 27, 2012 and the City Council and City Finance Committee on December 3, 2012 for approval.

BACKGROUND:

On October 23, 2010, the Pasadena City Council approved the $152 million Rose Bowl Renovation Project. Concurrent with this action was the approval of 30-year lease agreements with both the Tournament of Roses and UCLA. On November 23, 2010 the issuance of the bonds was completed for the Project through the Pasadena Public Financing Authority, resulting in net dedicated proceeds for construction of $126.1 million. The national municipal bond market meltdown at the time resulted in approximately $12.2 million less in proceeds than was anticipated.

Over the course of the last two years, stadium construction has proceeded on schedule with nearly 80% of the Project completed or underway at this time. Unfortunately, the project cost has incrementally risen to approximately $195 million as a result of changes in design, market conditions, unanticipated existing conditions, and a contractor default. An independent expert was retained by the Rose Bowl Operating Company (RBOC) to review the project to understand in greater detail the reasons for the cost increases and provide recommendations going forward.

Working with the project consultants and Rose Bowl tenants, RBOC staff evaluated reducing elements of the Project to remain within the $152 million appropriated budget as well as identifying new funding sources. Some elements of the Project are being recommended for deferral and others are being redesigned to reduce their overall costs. The lease agreements with the Rose Bowl tenants require certain Project elements to be completed in order to achieve "Substantial Completion" which triggers certain financial terms to the benefit of the RBOC. Without achieving "Substantial Completion", the RBOC may not have sufficient revenue to support debt service and operating costs.

In order to achieve the Project objectives and "Substantial Completion", staff is recommending the deferral and redesign of specific elements, the issuance of additional bonds, and the deferral of final project elements until future equity contributions are received from the Legacy Foundation's donation effort and Rose Bowl operations. The non-profit Legacy Foundation was created to raise private funds to help enhance the Rose Bowl. Legacy has set a goal of raising

and effective option to meet the evaluation criteria. The estimated annual debt service would be approximately $2.58 million. Staff also updated the 30 year Rose Bowl Stadium proforma to ensure that this financing option could be afforded by the Rose Bowl Operating Company (RBOC). The updated proforma and an updated sources and uses for the project is included as Exhibits A, B, and C. The proposed structure was presented to the RBOC Finance Committee on November 7, 2012 as an information only item and will be presented to the RBOC Board on November 27, 2012 and the City Council and City Finance Committee on December 3, 2012 for approval.

BACKGROUND:

On October 23, 2010, the Pasadena City Council approved the $152 million Rose Bowl Renovation Project. Concurrent with this action was the approval of 30-year lease agreements with both the Tournament of Roses and UCLA. On November 23, 2010 the issuance of the bonds was completed for the Project through the Pasadena Public Financing Authority, resulting in net dedicated proceeds for construction of $126.1 million. The national municipal bond market meltdown at the time resulted in approximately $12.2 million less in proceeds than was anticipated.

Over the course of the last two years, stadium construction has proceeded on schedule with nearly 80% of the Project completed or underway at this time. Unfortunately, the project cost has incrementally risen to approximately $195 million as a result of changes in design, market conditions, unanticipated existing conditions, and a contractor default. An independent expert was retained by the Rose Bowl Operating Company (RBOC) to review the project to understand in greater detail the reasons for the cost increases and provide recommendations going forward.

Working with the project consultants and Rose Bowl tenants, RBOC staff evaluated reducing elements of the Project to remain within the $152 million appropriated budget as well as identifying new funding sources. Some elements of the Project are being recommended for deferral and others are being redesigned to reduce their overall costs. The lease agreements with the Rose Bowl tenants require certain Project elements to be completed in order to achieve "Substantial Completion" which triggers certain financial terms to the benefit of the RBOC. Without achieving "Substantial Completion", the RBOC may not have sufficient revenue to support debt service and operating costs.

In order to achieve the Project objectives and "Substantial Completion", staff is recommending the deferral and redesign of specific elements, the issuance of additional bonds, and the deferral of final project elements until future equity contributions are received from the Legacy Foundation's donation effort and Rose Bowl operations. The non-profit Legacy Foundation was created to raise private funds to help enhance the Rose Bowl. Legacy has set a goal of raising

$20-25 million for the Rose Bowl and to date has signed commitments in excess of $8 million dollars. These gifts will be fulfilled over multiple years and therefore should be utilized to fund future elements of the Project. Some of the proposed changes to the Project scope and schedule will require the consent of UCLA and the Tournament of Roses (TOR) organizations. Staff is currently in discussions with UCLA and TOR concerning these project changes.

RBOC and City staff have been working to address both the short-term cash flow needs of the Project as well as long-term financing to fill the funding gap. The options analyzed included a bank loan, use of the EB5 program, an internal loan from the City, a bank letter/line of credit, and restructuring of the existing 2006 Rose Bowl debt. Evaluation criteria included the processing time to complete the debt issuance, cash flow impact on the City/RBOC, ease of administration, flexibility to use proceeds for taxable and tax-exempt elements, risks to the City/RBOC, interest rates, and cost of issuance of the debt. In order to maintain the construction schedule and complete work already awarded, a financing solution will need to be implemented prior to depletion of 2010 bond proceeds and available Project equity, which is anticipated to occur in January 2013.

The proposed financing plan assumes current bond proceeds, equity in hand, and new bond proceeds would be utilized to fund Project elements already under construction and awarded. The remaining Project elements would be funded in future years with anticipated "equity contributions," Rose Bowl Legacy donations, and Stadium revenues. This concept will allow the current work to be completed primarily through bond proceeds with future work being funded with future dollars once they have been received, allowing greater flexibility to the RBOC and City Council and financial assurance going forward.

After reviewing various financing scenarios for the new bond proceeds, staff recommends restructuring the existing 2006 Rose Bowl debt and a temporary "bridge loan" from the City. Before the new bond proceeds are available, RBOC will need a bridge loan of approximately $6 million. The bridge loan would be repaid from the new bond proceeds anticipated in early 2013.

The 2006 Rose Bowl bonds will have an outstanding principal of $33.5 million after the scheduled principal redemption on December 1, 2012. Approximately 20% of this debt is actually City debt that is being repaid by the City's General Fund. The Rose Bowl debt and the City debt were combined to improve debt issuance efficiencies that were available at the time of issuance. The recommended financing option structure only includes the Rose Bowl portion of the 2006 outstanding debt, which is approximately $26.8 million. The City portion would still mature as planned in 2023. The recommended restructure would extend the Rose Bowl portion of the 2006 debt to 2043 and issue new debt that would yield $30 million in net new money for the Project. It is estimated that the new combined structure would result in a 2012 debt instrument of approximately $58 million. It is typical to request authority for an issuance cap that is more than

the anticipated debt issuance to provide flexibility if additional bonds could be issued without increasing the expected debt service. This is why the staff recommendation will be to authorize the issuance of up to $65 million.

Union Bank currently owns the outstanding 2006 bonds. These bonds are synthetically fixed through the use of a swap agreement with Deutsche Bank. This means that even though the bonds are variable rate bonds, the swap agreement provides a hedge against changes in the variable rate market and allows the City to effectively pay a fixed rate. Given the complicated nature of the bonds and Union Bank's understanding of the structure as a result of its ownership of the outstanding bonds, staff believes that restructuring the existing 2006 debt and issuing new debt to net $30 million of new proceeds using a direct purchase structure through Union Bank would be the most efficient option. Union Bank has agreed to this structure and has provided a preliminary term sheet related to the direct purchase structure. The basic structure of the 2012 issue would be:

- Issuance of 30 year variable rate debt directly placed with Union Bank consisting of the outstanding Rose Bowl portion of the outstanding 2006 bonds and additional new debt that would net $30 million of new bond proceeds. Total issue size of approximately $58 million. This restructure issue would be backed by the City and would be variable debt as is the case with the existing 2006 debt.

- Bond distribution for the $30 million of new bond proceeds of 60% taxable bonds and 40% tax-exempt bonds. The taxable bonds would have a fixed interest rate of 1.9 percent that would reset every five years based on market conditions. The tax-exempt bonds would have a variable interest rate of 65 percent of one month LIBOR plus 0.75 percent which would be approximately 0.88 percent in today's market. The actual rates will be finalized once the City receives the final term sheet from the bank. Although, the taxable bonds are more expensive, the IRS restricts the use of tax-exempt bonds to certain types of public project uses. A tax analysis conducted by bond counsel indicates that the 60-40 percent split for the new money is the required to meet the tax code.

- Prepayment option without penalty after five years for the fixed rate taxable bonds and after the first year for the variable rate tax-exempt bonds.

- Interest rates on the taxable portion of the bonds would reset every 5 years depending on market conditions.

- Interest rates would increase if the City's credit rating were to be downgraded in varying amounts depending on the severity of the downgrade.

- The average annual debt service would be approximately $2.58 million

In developing the financing plan, staff considered the private placement structure from Union Bank as well as a public offering of fixed rate lease revenue bonds in the capital markets. Staff also asked Union Bank if it would be interested in a 30 year fixed rate structure, which was of no interest to Union Bank. Staff believes there are significant benefits to the private placement structure including:

Issuance efficiencies - The 2006 Bonds are variable rate bonds that are swapped to a synthetic fixed rate of 3.285% through their final maturity of 12/1/2023. This swap, which provided a hedge to the variable rate bonds creating the synthetic fixed rate, was entered into in 2006. While a portion of these 2006 Bonds are being refunded, the pro-rata portion of the swap will remain outstanding. This is because, in current market conditions, terminating the swap would cost over $5 million. As a result, if the City issued fixed rate tax-exempt refunding bonds rather than variable rate refunding bonds, it would have to pay two fixed rates - the fixed swap rate from the refunded bonds as well as the new fixed rate on that portion of the refunding bonds. Under the private placement structure, the tax-exempt variable rate bonds will be partially hedged with the pro-rata share of the swap.

- Attractive 5 Year Initial Period Interest Rates – The proposed structure has a low initial 5 year taxable rate of 1.9 percent and assumes increases in this fixed rate portion of the bonds every five years of 1 percent until historic averages are achieved. Additionally, pricing on the tax-exempt variable portion is at the same rate as the City has today on its outstanding loan with Union Bank but with a longer 5-year term. This will save the RBOC over $3.6 million over the next 5 years when compared to the 30 year fixed rate alternative.

- No Debt Service Reserve Requirement - Union Bank approved the structure with no debt service reserve fund ("DSRF") requirement allowing $2.953 million from the existing DSRF to be released and contributed to the financing which reduces the size of the new bond financing.
- Lower overall cost - Private placement pricing results in lower near term and total debt service than a capital markets structure. The annual savings in the debt service is estimated at $780,000. The present value savings over the 30 year term, if the assumptions materialize, would be approximately $13 million when compared to a 30 year fixed rate structure.
- Ease of Execution - A private placement structure allows for streamlined negotiations with the City's existing lender and does not require the preparation of an Official Statement, an appraisal or rating agency presentation that are typically required under a public offering.

- Optionality/Flexibility - The private placement variable rate structure incorporates some optionality and flexibility into the Rose Bowl's capital structure. After the restructured financing, 74.5% of the Rose Bowl debt will be effectively non-callable (either non-callable bonds or bonds subject to an expensive make-whole call) and 25.5% will be callable. If the restructured bonds were issued as traditional fixed rate bonds, they would be non-callable for at least 10 years. Under the private placement's legal documents, the restructured Lease Revenue Bonds are callable after one year at par in the case of the tax-exempt bonds and after five years for the taxable bonds at par. As a result, if additional funds are available at any time, the City can accelerate the repayment of the debt or if necessary, restructure in the future.
- Benefit to the General Fund - The remaining $779,883 million currently in the 2006 DSRF applicable to the bonds issued for City projects will be released to the City's General Fund.

The private placement variable rate structures do have some risks that are not present in long-term fixed rate bond issues, including:

- Interest Rate Risk - Future interest rates are unknown and may be higher than assumed in the City's analysis. The proposed solution anticipates interest rate increase of 100 basis points or 1 percent every five years for the taxable portion of the bonds until the rate reaches 5.2 percent. For the variable tax-exempt rate portion of the financing, the interest rate is assumed to increase to the historic average tax exempt rate within 12 months.

- Increased Costs - Beginning in 2015, commercial banks will be subject to revised regulations that may impact their costs under Basel III. Basel III is a global regulatory standard on bank capital adequacy, stress testing and market liquidity risk agreed upon by the members of the Basel Committee on Banking Supervision in 2010-11. In addition, the ongoing implementation of the Dodd Frank Wall Street Reform and Consumer Protection Act may impact bank costs. Under the Continuing Covenants Agreement the City will enter into with Union Bank, these types of increased costs can be passed onto the City. The timing or magnitude of these potential increased costs cannot be quantified at this time.

As is the case with any issuance of debt, a number of risks exist. A brief description of each is provided below.

- Market risk – There is no market to restructure the outstanding debt if the anticipated revenues to repay the outstanding debt don't materialize. This would require the City/RBOC to either pay the principal from City funds or default on the debt.

- Interest rate risk – There is a market to restructure the outstanding debt if the anticipated revenues to repay the outstanding debt doesn't materialize, but the rate is significantly higher resulting in a debt service payment higher than anticipated revenues to pay the debt service. This would also require the use of City/RBOC funds to address any shortfall or default on the debt.

- City's credit rating downgrade – As proposed by Union Bank, which if typical in this type of structure, a penalty interest rate would be applied if the City's credit rating falls below a certain level. There are a number of issues in the current environment that pose a risk to the City's current AAA credit rating.

  Examples include:

  a. Continued economic declines that reduce the fund balance of the General Fund
  b. Changes in the law or accounting reporting requirements that reduce or eliminate General Fund revenue (RDA elimination)
  c. Anticipated revenues to repay the debt are insufficient requiring the use of City General Fund balance to repay the debt thus decreasing fund balance or not paying and defaulting on the debt.

- Future Tax-Exemption (Simpson/Bowles) - Tax-exemption results in lost revenues to the Federal government. As a result, reducing or eliminating tax-exempt interest has arisen in past and recent deficit reduction discussions. In the report from the National Commission on Fiscal Responsibility and Reform released in December 2010 and co-chaired by former Republican Senator Alan Simpson and Clinton Chief of Staff Erskine Bowles, one of the suggestions was to eliminate tax exempt bonds. The report, however, didn't receive an affirmative vote from the commission members and never advanced. It is unknown at this time whether Congress will take any actions that will impact tax-exemption and if they do what form any such change will take.

Given the timing required to finalize the new debt structure to receive the proceeds and the cash flow needs to remain on schedule with the project renovations, an internal "bridge loan" issued by the City in the amount of $6 million will be required. This loan will be repaid once the restructured bonds are issued, which will be prior to June 30, 2013 and will contain an interest rate equal to the City's average portfolio earnings rate plus 0.25 percent.

This option was presented to the RBOC Finance Committee as information only on November 7, 2012.

Revised Proforma

Another element used in development of the recommend financing option to address the construction gap was determining how much additional debt would be prudent and affordable for the RBOC. This required the updating of the 30 year Rose Bowl Stadium proforma. Although most of the assumptions used to develop the 30 year stadium proforma associated with the issuance of the 2010 debt are unchanged, a number of assumptions have changed or been added based on more recent information. The overall impact of the assumption changes is a more conservative estimation of revenues in the first 5 years than what was in the original proforma. The major assumption changes are listed below:

1. Horizon Level Seating UCLA 110 percent of Capacity; $250k min 50-50 split on revenues above $250k / TOR 100 percent of capacity; no min; 100 percent of revenue.
2. Concessionaire $2 million advance instead of $3 million originally assumed and renewals of the concessionaire advance of $1.5 million in year 2024 and in year 2034.
3. No Legacy equity has been included in the operating proforma.
4. No anticipated surplus for distribution to partners.
5. Assumes Renegotiated Golf Course Management Agreement as of FY 2017, resulting in less transfer to golf course capital and an increased transfer to Stadium operations.
6. UCLA occupancy for luxury suites reduced to 60 percent from 90 percent then grows 10 percent every 5 years until it reaches 80 percent.
7. UCLA occupancy for club seats reduced to 60 percent from 90 percent then grows 10 percent every 5 years until it reaches 80 percent.
8. Added $170,000 cost for LED scoreboard lease every year beginning in 2014.
9. Increased growth factor to 3% from 2% for salary and benefit costs and the addition of a Market/Sales position in 2014
10. Added operating/capital reserve to be maintained at 20 percent of gross revenues

The updated 30 year Rose Bowl Stadium proforma which incorporates the assumption changes listed above and the restructured debt gap financing option discussed previously is presented in summary form in Exhibit A. The detail information supporting the summarized activity reflected in Attachment A is

presented as Exhibit B. It should be noted, however, that the proforma presented is subject to change based on the negotiations being conducted with UCLA and TOR. The estimated sources and uses for the project are presented as Exhibit C.

Staff is in the process of finalizing the documentation necessary to accomplish the recommended financing option and intends to present this item to the RBOC Board on November 27th and then to the Finance Committee and City Council for approval on December 3, 2012.

Attachment: (3)

Exhibit A – Revised 30 year Stadium Proforma Summary
Exhibit B - Revised 30 year Stadium Proforma Detail
Exhibit C - Estimated Sources and Uses of Funds

Exhibit A

Rose Bowl Stadium Proforma - Preliminary Draft (Revised 11-13-12)

Sensitivity #7 as base / Restructure 2006 plus $30m new money (60% tax / 40% tax exmt) (updated Premium seat assumptions 10% increments to 80%)

Fiscal Yr	Gross Revenues	Gross Expenses	Base Net Dedicated Revenues	Equity Revenues (exc Legacy)	Stadium Operating Revenues Available for Debt Service	Debt service on 2006 refunding + new money bonds	Total Debt Service	Operating Results before golf revenue transfer	Golf Revenue Transfer	Operating Results after golf revenue transfer	Operating / Capital Reserve change (to maintain at 20% of gross operating revenues)	Operating / Capital Reserve (maintained at 20% of gross operating revenues)	Operating Income / (Loss) (before depreciation with golf revenue transfer)	Cumulative Operating Income / (Loss) (before depreciation with golf revenue transfer)	Total Annual Debt Service Coverage after golf transfer
2013	10,127,344	8,180,693	1,946,651	2,000,000	3,946,651	751,379	751,379	3,195,272	1,545,845	4,741,117	2,025,469	2,025,469	2,715,648	2,715,648	7.31
2014	17,165,379	9,516,422	7,648,957	4,400,000	12,048,957	2,584,433	9,083,933	2,965,024	1,569,033	4,534,057	1,407,607	3,433,076	3,126,450	5,842,098	1.50
2015	17,616,365	9,265,154	8,351,211	-	8,351,211	2,587,179	9,366,679	-1,015,468	1,592,568	577,100	90,197	3,523,273	486,903	6,329,001	1.06
2016	17,979,680	9,468,483	8,511,197	-	8,511,197	2,583,341	9,679,623	-1,168,426	1,616,457	448,031	72,663	3,595,936	375,368	6,704,369	1.05
2017	18,581,217	9,676,522	8,904,695	-	8,904,695	2,585,193	9,801,298	-896,603	1,940,704	1,044,101	120,307	3,716,243	923,793	7,628,162	1.11
2018	18,924,096	9,889,386	9,034,710	-	9,034,710	2,584,889	9,961,388	-926,678	1,965,314	1,038,636	68,576	3,784,819	970,061	8,598,222	1.10
2019	19,670,728	10,107,187	9,563,541	-	9,563,541	2,586,946	10,188,951	-625,410	1,990,294	1,364,884	149,326	3,934,146	1,215,557	9,813,780	1.13
2020	20,057,897	10,330,047	9,727,850	-	9,727,850	2,587,351	10,353,868	-626,018	2,015,648	1,389,630	77,434	4,011,579	1,312,196	11,125,976	1.13
2021	20,533,121	10,558,088	9,975,033	-	9,975,033	2,587,330	10,309,789	-334,756	2,041,383	1,706,626	95,045	4,106,624	1,611,582	12,737,558	1.17
2022	21,377,301	10,791,435	10,585,866		10,585,866	2,583,543	10,773,252	-187,386	2,067,504	1,880,118	168,836	4,275,460	1,711,282	14,448,840	1.17
2023	21,783,577	11,030,216	10,753,361		10,753,361	2,584,596	10,949,055	-195,694	2,094,016	1,898,322	81,255	4,356,715	1,817,067	16,265,906	1.17
2024	22,524,040	11,274,564	11,249,476	1,500,000	12,749,476	2,583,038	12,887,997	-138,521	2,120,926	1,982,406	148,093	4,504,808	1,834,313	18,100,220	1.15
2025	22,950,251	11,524,633	11,425,618		11,425,618	2,582,830	13,070,039	-1,644,421	2,148,240	503,819	85,242	4,590,050	418,577	18,518,796	1.04
2026	23,465,296	11,780,480	11,684,816		11,684,816	2,582,310	13,256,269	-1,571,453	2,175,964	604,511	103,009	4,693,059	501,502	19,020,298	1.05
2027	23,906,097	12,042,371	11,863,726		11,863,726	2,583,264	13,452,223	-1,588,497	2,204,103	615,607	88,160	4,781,219	527,447	19,547,745	1.05
2028	24,341,026	12,310,368	12,030,658		12,030,658	2,585,645	13,651,104	-1,620,446	2,232,665	612,219	86,986	4,868,205	525,233	20,072,977	1.04
2029	24,784,652	12,584,641	12,200,011		12,200,011	2,586,125	13,921,584	-1,721,573	2,261,655	540,082	88,725	4,956,930	451,357	20,524,334	1.04
2030	25,237,152	12,865,343	12,371,809		12,371,809	2,585,769	14,126,228	-1,754,419	2,291,080	536,660	90,500	5,047,430	446,160	20,970,495	1.04
2031	25,780,511	13,152,634	12,627,877		12,627,877	2,584,576	14,335,035	-1,707,159	2,320,946	613,787	108,672	5,156,102	505,116	21,475,610	1.04
2032	26,695,692	13,446,671	13,249,021		13,249,021	2,582,547	14,843,006	-1,593,985	2,351,260	757,275	183,036	5,339,138	574,239	22,049,850	1.05
2033	27,175,888	13,747,620	13,428,268		13,428,268	2,584,629	15,065,088	-1,636,820	2,382,029	745,209	96,039	5,435,178	649,170	22,699,019	1.05
2034	27,665,688	14,055,649	13,610,039	1,500,000	15,110,039	2,585,770	15,358,446	-248,407	2,413,260	2,164,852	97,960	5,533,138	2,066,892	24,765,912	1.14
2035	28,165,284	14,370,936	13,794,348		13,794,348	2,585,971	15,593,159	-1,798,812	2,444,958	646,147	99,919	5,633,057	546,228	25,312,140	1.04
2036	28,756,682	14,693,654	14,063,028		14,063,028	2,585,230	15,831,219	-1,768,191	2,477,133	708,942	118,280	5,751,336	590,662	25,902,802	1.04
2037	29,290,861	15,023,987	14,266,874		14,266,874	2,583,548	16,073,602	-1,806,728	2,509,790	703,062	106,836	5,858,172	596,226	26,499,028	1.04
2038	29,821,036	15,362,123	14,458,913		14,458,913	2,585,874	16,323,631	-1,864,718	2,542,937	678,219	106,035	5,964,207	572,184	27,071,212	1.04
2039	30,361,815	15,708,253	14,653,562		14,653,562	2,587,153	16,644,625	-1,991,063	2,576,581	585,518	108,156	6,072,363	477,362	27,548,574	1.04
2040	30,913,410	16,062,576	14,850,834		14,850,834	2,587,387	16,911,708	-2,060,874	2,610,729	549,855	110,319	6,182,682	439,536	27,988,110	1.03
2041	31,557,845	16,425,292	15,132,553		15,132,553	2,586,576	17,180,576	-2,048,023	2,645,390	597,368	128,887	6,311,569	468,481	28,456,591	1.03
2042	32,146,124	16,796,607	15,349,517		15,349,517	2,584,719	17,454,369	-2,104,852	2,680,571	575,719	117,656	6,429,225	458,063	28,914,654	1.03
2043	32,731,480	17,176,734	15,554,746		15,554,746	2,586,765	17,735,947	-2,181,202	2,716,280	535,078	117,071	6,546,296	418,007	29,332,661	1.03
Total	**752,087,535**	**389,218,768**	**362,868,767**	**9,400,000**	**372,268,767**	**78,305,906**	**404,935,073**	**(32,666,306)**	**68,545,263**	**35,878,957**	**6,546,296**		**29,332,661**		

Sensitivity multiplier	1

Average D/S coverage	1.29
Average D/S coverage w/o FY2013	1.09

Major Assumptions:

1. Luxury Suites RB 90% / UCLA 60% grown by 10% in 5 yr increments to 80%
2. Loge Boxes RB 80% / UCLA 80%
3. Club Seats RB 90% / UCLA 60% grown by 10% in 5 yr increments to 80%
4. Parking Surcharge $5 in 2014 increasing $1 every 5 yrs
5. Ticket surcharge $10 begin 2012; $5 increase every 10 yrs
6. No surplus for distribution
7. Horizon Level Seating UCLA 110% of Capacity; $250k min 50-50 split on revenues above $250k / TOR 100% of capacity; no min; 100% of revenue
8. Includes one-time added operational costs of $450k in year 2014
9. Advertising Guarantee (1.925m less fulfillment)
10. Excludes depreciation
11. Revenue and expense growth factor 2% except for salaries/benefits which increase by 3% annually
12. Addition of Marketing/Sales position in 2014
13. Golf Course transfer 1.5% growth
14. Increase golf course contribution for extra money moved from capital reserve - $300,000 per year
15. BCS $4m reflected in 2014 equity only nothing going forward
16. 2012 restructured issue approx $60m
17. Updated concessionaire's advance in years 2024 and 2034 per revised Bigelow estimate discussion on 10-30-12
18. Updated concession net revenue to RBOC per revised Bigelow estimate discussion on 10-30-12
19. Operating/capital reserve (20% of total gross revenues available)
20. D/S assumes release of DSRF and issuance of less bonds
21. Added LED Board rental expense $170k from 2014 on
22. Legacy donations removed from operations equity

*** ***Although not reflected in the proforma revenues would be reduced if substantial completion is delayed by approximately $925,000 per year ($825k UCLA and $100k TOR) ****

Exhibit B

Rose Bowl Stadium Proforma (Detail) - Preliminary Draft (Revised 11-13-12)

Sensitivity #7 as base / Restructure 2006 plus $30m new money (60% tax / 40% tax exmt) (updated Premium seat assumptions 10% increments to 80%)

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Operating Revenues (Net)									
Parking	985,127	1,004,830	1,024,926	1,045,425	1,066,333	1,087,660	1,109,413	1,131,601	1,154,233
Advertising	1,544,900	1,868,798	2,042,674	2,041,527	2,340,358	2,389,165	2,462,948	2,536,707	2,610,442
Television	175,000	-							
Facility Rental Revenue									
Rose Bowl Rental Fee	2,795,906	2,851,824	2,908,860	2,967,038	3,026,378	3,086,906	3,148,644	3,211,617	3,275,849
Suite Rentals	1,194,247	2,200,777	2,244,792	2,289,688	2,335,482	2,382,191	2,562,203	2,613,447	2,665,716
Loge Box Rentals	-	822,010	838,450	855,219	872,324	889,770	907,565	925,716	944,231
Club Seat Rentals	253,050	1,708,020	1,742,180	1,777,024	1,812,564	1,848,816	2,001,316	2,041,342	2,082,169
Premium Seat Rentals		757,656	772,809	788,265	804,031	820,111	961,517	980,747	1,000,362
Facility Rental Revenue - Total	4,243,203	8,340,287	8,507,092	8,677,234	8,850,779	9,027,794	9,581,245	9,772,870	9,968,327
Concessions/Novelties									
Concessions	1,064,097	1,716,096	1,750,418	1,785,426	1,821,135	1,857,558	1,894,709	1,932,603	1,971,255
Novelties	16,379	16,707	17,041	17,382	17,730	18,084	18,446	18,815	19,191
Concessions/Novelties - Total	1,080,476	1,732,803	1,767,459	1,802,808	1,838,864	1,875,642	1,913,155	1,951,418	1,990,446
Admissions Tax	136,151	138,874	141,651	144,485	147,374	150,322	153,328	156,395	159,523
Cost recoveries	1,942,087	1,980,929	2,020,548	2,060,959	2,102,178	2,144,221	2,187,106	2,230,848	2,275,465
Miscellaneous	20,400	20,808	21,224	21,649	22,082	22,523	22,974	23,433	23,902
Horizon Level Membership		387,000	394,740	402,635	410,687	418,901	427,279	435,825	444,541
Ticket Surcharge		860,000	860,000	860,000	860,000	860,000	860,000	860,000	860,000
Parking Surcharge		481,050	481,050	562,860	577,260	577,260	577,260	577,260	659,070
Other Events (Banquets/Meetings/Etc)		250,000	255,000	260,100	265,302	270,608	276,020	281,541	287,171
Tournament of Roses Gift		100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Operating Revenues - Total	10,127,344	17,165,379	17,616,365	17,979,680	18,581,217	18,924,096	19,670,728	20,057,897	20,533,121
Operating Expense									
Salaries and Benefits	1,861,451	2,080,295	2,142,704	2,206,985	2,273,195	2,341,391	2,411,632	2,483,981	2,558,500
General and Administration	1,868,706	1,906,080	1,944,202	1,983,086	2,022,747	2,063,202	2,104,466	2,146,556	2,189,487
Event Expenses	4,225,536	4,310,047	4,396,248	4,484,173	4,573,856	4,665,333	4,758,640	4,853,813	4,950,889
Incremental Expenses	150,000	600,000	612,000	624,240	636,725	649,459	662,448	675,697	689,211
Other Operational expense		450,000							
UCLA share of Net Premium Seating and Horizon Lounge									
Operating Expense - Total	8,105,693	9,346,422	9,095,154	9,298,484	9,506,523	9,719,386	9,937,187	10,160,047	10,388,088
Operating Income / (Loss) before Debt Service, Depreciation, and Adjustments	**2,021,651**	**7,818,957**	**8,521,211**	**8,681,197**	**9,074,694**	**9,204,711**	**9,733,540**	**9,897,850**	**10,145,033**
Debt Service and Related Fees									
2010 Bond		6,499,500	6,779,500	7,096,282	7,216,105	7,376,499	7,602,005	7,766,517	7,722,459
2012 Bond (restructured 2006 + new money)	751,379	2,584,433	2,587,179	2,583,341	2,585,193	2,584,889	2,586,946	2,587,351	2,587,330
Other (LED lease)	75,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000
Debt Service and Related Fees - Total	826,379	9,253,933	9,536,679	9,849,623	9,971,298	10,131,388	10,358,951	10,523,868	10,479,789
Income / (Loss) before Adjustments and Distribution	**1,195,272**	**(1,434,976)**	**(1,015,468)**	**(1,168,426)**	**(896,604)**	**(926,677)**	**(625,411)**	**(626,018)**	**(334,756)**
Adjustments									
Transfers from Golf Course Operations	1,545,845	1,569,033	1,592,568	1,616,457	1,640,704	1,665,314	1,690,294	1,715,648	1,741,383
Additional Transfer from Golf Course Operations					300,000	300,000	300,000	300,000	300,000
Equity Revenues	2,000,000	4,400,000							
Transfers to Stadium Operating/Capital Reserves	2,025,469	1,407,607	90,197	72,663	120,308	68,576	149,326	77,434	95,045
Adjustments - Total	1,520,376	4,561,426	1,502,371	1,543,794	1,820,396	1,896,738	1,840,968	1,938,214	1,946,338
Income / (Loss) before Surplus Distribution	**2,715,648**	**3,126,450**	**486,903**	**375,368**	**923,793**	**970,061**	**1,215,557**	**1,312,196**	**1,611,582**
Net Income / (Loss)	**2,715,648**	**3,126,450**	**486,903**	**375,368**	**923,793**	**970,061**	**1,215,557**	**1,312,196**	**1,611,582**

Exhibit B

Rose Bowl Stadium Proforma (Detail) - Preliminary Draft (Revised 1

Sensitivity #7 as base / Restructure 2006 plus $30m new money (60% tax / 40%

	2022	2023	2024	2025	2026	2027	2028	2029	2030
Operating Revenues (Net)									
Parking	1,177,318	1,200,864	1,224,882	1,249,379	1,274,367	1,299,854	1,325,851	1,352,368	1,379,416
Advertising	2,684,150	2,757,833	2,831,490	2,905,120	2,978,722	3,038,297	3,099,063	3,161,044	3,224,265
Television									
Facility Rental Revenue									
Rose Bowl Rental Fee	3,341,366	3,408,194	3,476,358	3,545,885	3,616,802	3,689,138	3,762,921	3,838,180	3,914,943
Suite Rentals	2,719,030	2,773,411	2,909,526	2,967,717	3,027,071	3,087,612	3,149,365	3,212,352	3,276,599
Loge Box Rentals	963,115	982,378	1,002,025	1,022,066	1,042,507	1,063,357	1,084,624	1,106,317	1,128,443
Club Seat Rentals	2,123,813	2,166,289	2,337,163	2,383,906	2,431,584	2,480,216	2,529,820	2,580,417	2,632,025
Premium Seat Rentals	1,020,370	1,040,777	1,180,957	1,204,576	1,228,668	1,253,241	1,278,306	1,303,872	1,329,949
Facility Rental Revenue - Total	10,167,694	10,371,048	10,906,029	11,124,149	11,346,632	11,573,565	11,805,036	12,041,137	12,281,959
Concessions/Novelties									
Concessions	2,010,680	2,050,894	2,091,911	2,133,750	2,176,425	2,219,953	2,264,352	2,309,639	2,355,832
Novelties	19,575	19,966	20,366	20,773	21,189	21,612	22,045	22,485	22,935
Concessions/Novelties - Total	2,030,255	2,070,860	2,112,277	2,154,523	2,197,613	2,241,565	2,286,397	2,332,125	2,378,767
Admissions Tax	162,713	165,967	169,287	172,672	176,126	179,648	183,241	186,906	190,644
Cost recoveries	2,320,974	2,367,394	2,414,741	2,463,036	2,512,297	2,562,543	2,613,794	2,666,070	2,719,391
Miscellaneous	24,380	24,867	25,365	25,872	26,390	26,917	27,456	28,005	28,565
Horizon Level Membership	453,432	462,501	471,751	481,186	490,810	500,626	510,638	520,851	531,268
Ticket Surcharge	1,290,000	1,290,000	1,290,000	1,290,000	1,290,000	1,290,000	1,290,000	1,290,000	1,290,000
Parking Surcharge	673,470	673,470	673,470	673,470	755,280	769,680	769,680	769,680	769,680
Other Events (Banquets/Meetings/Etc)	292,915	298,773	304,749	310,844	317,060	323,402	329,870	336,467	343,196
Tournament of Roses Gift	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Operating Revenues - Total	21,377,301	21,783,577	22,524,040	22,950,251	23,465,296	23,906,097	24,341,026	24,784,652	25,237,152
Operating Expense									
Salaries and Benefits	2,635,256	2,714,313	2,795,743	2,879,615	2,966,003	3,054,984	3,146,633	3,241,032	3,338,262
General and Administration	2,233,277	2,277,942	2,323,501	2,369,971	2,417,370	2,465,718	2,515,032	2,565,333	2,616,639
Event Expenses	5,049,907	5,150,905	5,253,923	5,359,002	5,466,182	5,575,505	5,687,015	5,800,756	5,916,771
Incremental Expenses	702,996	717,056	731,397	746,025	760,945	776,164	791,687	807,521	823,671
Other Operational expense									
UCLA share of Net Premium Seating and Horizon Lounge									
Operating Expense - Total	10,621,435	10,860,216	11,104,563	11,354,612	11,610,500	11,872,371	12,140,368	12,414,641	12,695,344
Operating Income / (Loss) before Debt Service, Depreciation, and Adjustments	**10,755,866**	**10,923,362**	**11,419,476**	**11,595,639**	**11,854,796**	**12,033,727**	**12,200,658**	**12,370,011**	**12,541,808**
Debt Service and Related Fees									
2010 Bond	8,189,709	8,364,459	10,304,959	10,487,209	10,673,959	10,868,959	11,065,459	11,335,459	11,540,459
2012 Bond (restructured 2006 + new money)	2,583,543	2,584,596	2,583,038	2,582,830	2,582,310	2,583,264	2,585,645	2,586,125	2,585,769
Other (LED lease)	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000
Debt Service and Related Fees - Total	10,943,252	11,119,055	13,057,997	13,240,039	13,426,269	13,622,223	13,821,104	14,091,584	14,296,228
Income / (Loss) before Adjustments and Distribution	**(187,386)**	**(195,693)**	**(1,638,521)**	**(1,644,400)**	**(1,571,473)**	**(1,588,496)**	**(1,620,446)**	**(1,721,573)**	**(1,754,420)**
Adjustments									
Transfers from Golf Course Operations	1,767,504	1,794,016	1,820,926	1,848,240	1,875,964	1,904,103	1,932,665	1,961,655	1,991,080
Additional Transfer from Golf Course Operations	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Equity Revenues			1,500,000						
Transfers to Stadium Operating/Capital Reserves	168,836	81,255	148,092	85,262	102,989	88,160	86,986	88,725	90,500
Adjustments - Total	1,898,668	2,012,761	3,472,834	2,062,978	2,072,975	2,115,943	2,145,679	2,172,930	2,200,580
Income / (Loss) before Surplus Distribution	**1,711,282**	**1,817,067**	**1,834,313**	**418,577**	**501,502**	**527,447**	**525,233**	**451,357**	**446,160**
Net Income / (Loss)	**1,711,282**	**1,817,067**	**1,834,313**	**418,577**	**501,502**	**527,447**	**525,233**	**451,357**	**446,160**

Exhibit B

Rose Bowl Stadium Proforma (Detail) - Preliminary Draft (Revised 1

Sensitivity #7 as base / Restructure 2006 plus $30m new money (60% tax / 40%

	2031	2032	2033	2034	2035	2036	2037	2038	2039
Operating Revenues (Net)									
Parking	1,407,004	1,435,144	1,463,847	1,493,124	1,522,986	1,553,446	1,584,515	1,616,205	1,648,529
Advertising	3,288,750	3,354,525	3,421,616	3,490,048	3,559,849	3,631,046	3,703,667	3,777,740	3,853,295
Television									
Facility Rental Revenue									
Rose Bowl Rental Fee	3,993,242	4,073,107	4,154,569	4,237,660	4,322,414	4,408,862	4,497,039	4,586,980	4,678,720
Suite Rentals	3,342,131	3,408,973	3,477,153	3,546,696	3,617,630	3,689,982	3,763,782	3,839,058	3,915,839
Loge Box Rentals	1,151,012	1,174,032	1,197,513	1,221,463	1,245,892	1,270,810	1,296,226	1,322,151	1,348,594
Club Seat Rentals	2,684,666	2,738,359	2,793,126	2,848,989	2,905,968	2,964,088	3,023,370	3,083,837	3,145,514
Premium Seat Rentals	1,356,548	1,383,679	1,411,353	1,439,580	1,468,372	1,497,739	1,527,694	1,558,248	1,589,413
Facility Rental Revenue - Total	12,527,599	12,778,151	13,033,714	13,294,388	13,560,276	13,831,481	14,108,111	14,390,273	14,678,079
Concessions/Novelties									
Concessions	2,402,949	2,451,008	2,500,028	2,550,028	2,601,029	2,653,050	2,706,111	2,760,233	2,815,437
Novelties	23,394	23,862	24,339	24,826	25,322	25,829	26,345	26,872	27,410
Concessions/Novelties - Total	2,426,343	2,474,869	2,524,367	2,574,854	2,626,351	2,678,878	2,732,456	2,787,105	2,842,847
Admissions Tax	194,457	198,346	202,313	206,359	210,487	214,696	218,990	223,370	227,838
Cost recoveries	2,773,779	2,829,254	2,885,839	2,943,556	3,002,427	3,062,476	3,123,725	3,186,200	3,249,924
Miscellaneous	29,136	29,719	30,313	30,920	31,538	32,169	32,812	33,468	34,138
Horizon Level Membership	541,893	552,731	563,786	575,062	586,563	598,294	610,260	622,465	634,915
Ticket Surcharge	1,290,000	1,720,000	1,720,000	1,720,000	1,720,000	1,720,000	1,720,000	1,720,000	1,720,000
Parking Surcharge	851,490	865,890	865,890	865,890	865,890	947,700	962,100	962,100	962,100
Other Events (Banquets/Meetings/Etc)	350,060	357,062	364,203	371,487	378,917	386,495	394,225	402,109	410,151
Tournament of Roses Gift	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Operating Revenues - Total	25,780,511	26,695,692	27,175,888	27,665,688	28,165,284	28,756,682	29,290,861	29,821,036	30,361,815
Operating Expense									
Salaries and Benefits	3,438,410	3,541,563	3,647,810	3,757,244	3,869,961	3,986,060	4,105,641	4,228,811	4,355,675
General and Administration	2,668,972	2,722,352	2,776,799	2,832,335	2,888,981	2,946,761	3,005,696	3,065,810	3,127,126
Event Expenses	6,035,106	6,155,808	6,278,925	6,404,503	6,532,593	6,663,245	6,796,510	6,932,440	7,071,089
Incremental Expenses	840,145	856,948	874,087	891,568	909,400	927,588	946,140	965,062	984,364
Other Operational expense									
UCLA share of Net Premium Seating and Horizon Lounge									
Operating Expense - Total	12,982,634	13,276,670	13,577,620	13,885,650	14,200,936	14,523,654	14,853,987	15,192,123	15,538,254
Operating Income / (Loss) before Debt Service, Depreciation, and Adjustments	**12,797,877**	**13,419,021**	**13,598,268**	**13,780,038**	**13,964,348**	**14,233,028**	**14,436,875**	**14,628,913**	**14,823,561**
Debt Service and Related Fees									
2010 Bond	11,750,459	12,260,459	12,480,459	12,772,676	13,007,188	13,245,989	13,490,054	13,737,757	14,057,472
2012 Bond (restructured 2006 + new money)	2,584,576	2,582,547	2,584,629	2,585,770	2,585,971	2,585,230	2,583,548	2,585,874	2,587,153
Other (LED lease)	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000
Debt Service and Related Fees - Total	14,505,035	15,013,006	15,235,088	15,528,446	15,763,159	16,001,219	16,243,602	16,493,631	16,814,625
Income / (Loss) before Adjustments and Distribution	**(1,707,158)**	**(1,593,985)**	**(1,636,820)**	**(1,748,408)**	**(1,798,811)**	**(1,768,191)**	**(1,806,727)**	**(1,864,718)**	**(1,991,064)**
Adjustments									
Transfers from Golf Course Operations	2,020,946	2,051,260	2,082,029	2,113,260	2,144,958	2,177,133	2,209,790	2,242,937	2,276,581
Additional Transfer from Golf Course Operations	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Equity Revenues				1,500,000					
Transfers to Stadium Operating/Capital Reserves	108,672	183,036	96,039	97,960	99,919	118,280	106,836	106,035	108,156
Adjustments - Total	2,212,274	2,168,224	2,285,990	3,815,300	2,345,039	2,358,853	2,402,954	2,436,902	2,468,425
Income / (Loss) before Surplus Distribution	**505,116**	**574,239**	**649,170**	**2,066,892**	**546,228**	**590,662**	**596,226**	**572,184**	**477,362**
Net Income / (Loss)	**505,116**	**574,239**	**649,170**	**2,066,892**	**546,228**	**590,662**	**596,226**	**572,184**	**477,362**

Exhibit B

Rose Bowl Stadium Proforma (Detail) - Preliminary Draft (Revised 1

Sensitivity #7 as base / Restructure 2006 plus $30m new money (60% tax / 40%

	2040	2041	2042	2043
Operating Revenues (Net)				
Parking	1,681,500	1,715,130	1,749,433	1,784,421
Advertising	3,930,361	4,008,968	4,089,147	4,170,930
Television				
Facility Rental Revenue				
Rose Bowl Rental Fee	4,772,294	4,867,740	4,965,095	5,064,397
Suite Rentals	3,994,156	4,074,039	4,155,520	4,238,630
Loge Box Rentals	1,375,566	1,403,077	1,431,138	1,459,761
Club Seat Rentals	3,208,424	3,272,592	3,338,044	3,404,805
Premium Seat Rentals	1,621,201	1,653,625	1,686,697	1,720,431
Facility Rental Revenue - Total	14,971,640	15,271,073	15,576,494	15,888,024
Concessions/Novelties				
Concessions	2,871,746	2,929,181	2,987,765	3,047,520
Novelties	27,958	28,517	29,087	29,669
Concessions/Novelties - Total	2,899,704	2,957,698	3,016,852	3,077,189
Admissions Tax	232,394	237,042	241,783	246,619
Cost recoveries	3,314,922	3,381,221	3,448,845	3,517,822
Miscellaneous	34,820	35,517	36,227	36,952
Horizon Level Membership	647,613	660,565	673,776	687,252
Ticket Surcharge	1,720,000	1,720,000	1,720,000	1,720,000
Parking Surcharge	962,100	1,043,910	1,058,310	1,058,310
Other Events (Banquets/Meetings/Etc)	418,355	426,722	435,256	443,961
Tournament of Roses Gift	100,000	100,000	100,000	100,000
Operating Revenues - Total	30,913,410	31,557,845	32,146,124	32,731,480
Operating Expense				
Salaries and Benefits	4,486,345	4,620,936	4,759,565	4,902,351
General and Administration	3,189,669	3,253,462	3,318,531	3,384,902
Event Expenses	7,212,511	7,356,761	7,503,896	7,653,974
Incremental Expenses	1,004,051	1,024,132	1,044,615	1,065,507
Other Operational expense				
UCLA share of Net Premium Seating and Horizon Lounge				
Operating Expense - Total	15,892,576	16,255,291	16,626,607	17,006,734
Operating Income / (Loss) before Debt Service, Depreciation, and Adjustments	**15,020,834**	**15,302,554**	**15,519,517**	**15,724,746**
Debt Service and Related Fees				
2010 Bond	14,324,321	14,594,000	14,869,650	15,149,182
2012 Bond (restructured 2006 + new money)	2,587,387	2,586,576	2,584,719	2,586,765
Other (LED lease)	170,000	170,000	170,000	170,000
Debt Service and Related Fees - Total	17,081,708	17,350,576	17,624,369	17,905,947
Income / (Loss) before Adjustments and Distribution	**(2,060,874)**	**(2,048,022)**	**(2,104,852)**	**(2,181,201)**
Adjustments				
Transfers from Golf Course Operations	2,310,729	2,345,390	2,380,571	2,416,280
Additional Transfer from Golf Course Operations	300,000	300,000	300,000	300,000
Equity Revenues				
Transfers to Stadium Operating/Capital Reserves	110,319	128,887	117,656	117,071
Adjustments - Total	2,500,410	2,516,503	2,562,915	2,599,209
Income / (Loss) before Surplus Distribution	**439,536**	**468,481**	**458,063**	**418,007**
Net Income / (Loss)	**439,536**	**468,481**	**458,063**	**418,007**

Exhibit C

Rose Bowl Renovation Project Sources of Funds (in millions)

Updated 11/13/12

Project Sources of Funds	2010 & 2011	2012	2013	2014	Future	Total Sources
Funds Received						
2010 Bond Proceeds	126.10					126.10
2010 BCS Revenue (RBOC)	2.00					2.00
2006 & 2010 BCS (ToR)	4.00					4.00
RBOC Retained Earnings/IMG	1.10					1.10
TOR; Capital User Fee	0.80	0.80				1.60
SUBTOTAL - Funds Received	**134.00**	**0.80**	**0.00**	**0.00**	**0.00**	**134.80**
Anticipated Funds						
2012 Internal City Loan		6.00	-6.00			0.00
2006 Bond Restructure Proceeds			30.00			30.00
Concessionaire Advance			2.00		3.00	5.00
2014 BCS				4.00		4.00
Bond Interest				0.40		0.40
Legacy		0.60	1.40	3.00	7.00	12.00
Legacy Brick Campaign				1.00		1.00
SUBTOTAL - Anticipated Funds	**0.00**	**6.60**	**27.40**	**8.40**	**10.00**	**52.40**
TOTAL PROJECT SOURCES	**134.00**	**7.40**	**27.40**	**8.40**	**10.00**	**187.20**
CUMULATIVE PROJECT SOURCES	**134.00**	**141.40**	**168.80**	**177.20**	**187.20**	

Exhibit C

Rose Bowl Renovation Project Uses of Funds (in millions)

Updated 11/13/12

Project Elements	Phases 1 & 2	2013 Work	Future Work	Total Cost	Spent to Date as of 11/13/12	Deferred Items
Direct Construction Costs						
Concourse Work	8.90			8.90	8.20	
5 temp restroom areas			0.30	0.30		
5 screened storage areas			0.18	0.18		
Perimeter Fence line expansion			0.19	0.19		
Service Yard Modifications			0.18	0.18		
PWP Allowance		0.55		0.55		
Site Work - Electrical/Grading/Paving		1.00	7.00	8.00		
2 Remaining electrical substations		1.43		1.43		
8 Entry gate structures			2.60	2.60		
11 concession stands				0.00		7.20
Reconstruct West **Restrooms**		3.04		3.04		
New North Restrooms			0.82	0.82		
Field restrooms at T23A and T28A			1.22	1.22		
Scoreboard and Displays	8.60			8.60	4.80	
Bowl Egress, Aisles and Field Walls	3.70			3.70	5.40	
East/West field wall & hedges			2.19	2.19		
T7A, T15A, tunnel modifications			0.56	0.56		
4 field temporary bleachers			0.24	0.24		
Stadium Tunnels	8.40			8.40	7.20	
4 Final Tunnels				0.00		5.81
Pavilion *(less 3rd party reimbursement)*	81.20			81.20	67.50	
Bio-Swale (SSUMP)		0.41		0.41		
Broadcast building		0.10		0.10		
Broadcast Cabling		0.70		0.70		
Close out existing contracts		1.50		1.50		
Construction Contingency (10%)		0.63	1.50	2.13		1.30
Additional Contingency	1.60	2.30	0.38	4.28		
SUBTOTAL - Construction Costs	**112.40**	**11.65**	**17.36**	**141.41**	**93.10**	**14.31**

Exhibit C

Rose Bowl Renovation Project Uses of Funds (in millions)

Updated 11/13/12

Project Elements	Phases 1 & 2	2013 Work	Future Work	Total Cost	Spent to Date as of 11/13/12	Deferred Items
Indirect Construction Costs						
Project Management	7.00		0.80	7.80	4.30	
Owner's Representative	1.00		0.00	1.00	0.70	
Project Management Facilities	0.30	0.10	0.10	0.50	0.20	
SUBTOTAL - Indirect Costs	**8.30**	**0.10**	**0.90**	**9.30**	**5.20**	**0.00**
Soft Costs						
Design Fees	13.30	0.80	0.80	14.90	11.50	
Misc. Expenses (Inspections, Ads, Reproduction, Legal, etc.)	5.20	1.00	0.50	6.70	4.00	
Specialty Expenses (Finance, Premium Seating, Staff, Outreach, etc)	2.40	0.20	0.25	2.85	1.50	
FFE	3.50			3.50	1.30	
Soft Cost Contingency	1.10	0.50	0.20	1.80		
SUBTOTAL - Soft Costs	**25.50**	**2.50**	**1.75**	**29.75**	**18.30**	**0.00**
TOTAL	**146.20**	**14.25**	**20.01**	**180.46**	**116.60**	**14.31**
CUMULATIVE PROJECT COST	**146.20**	**160.45**	**180.46**			**194.77**