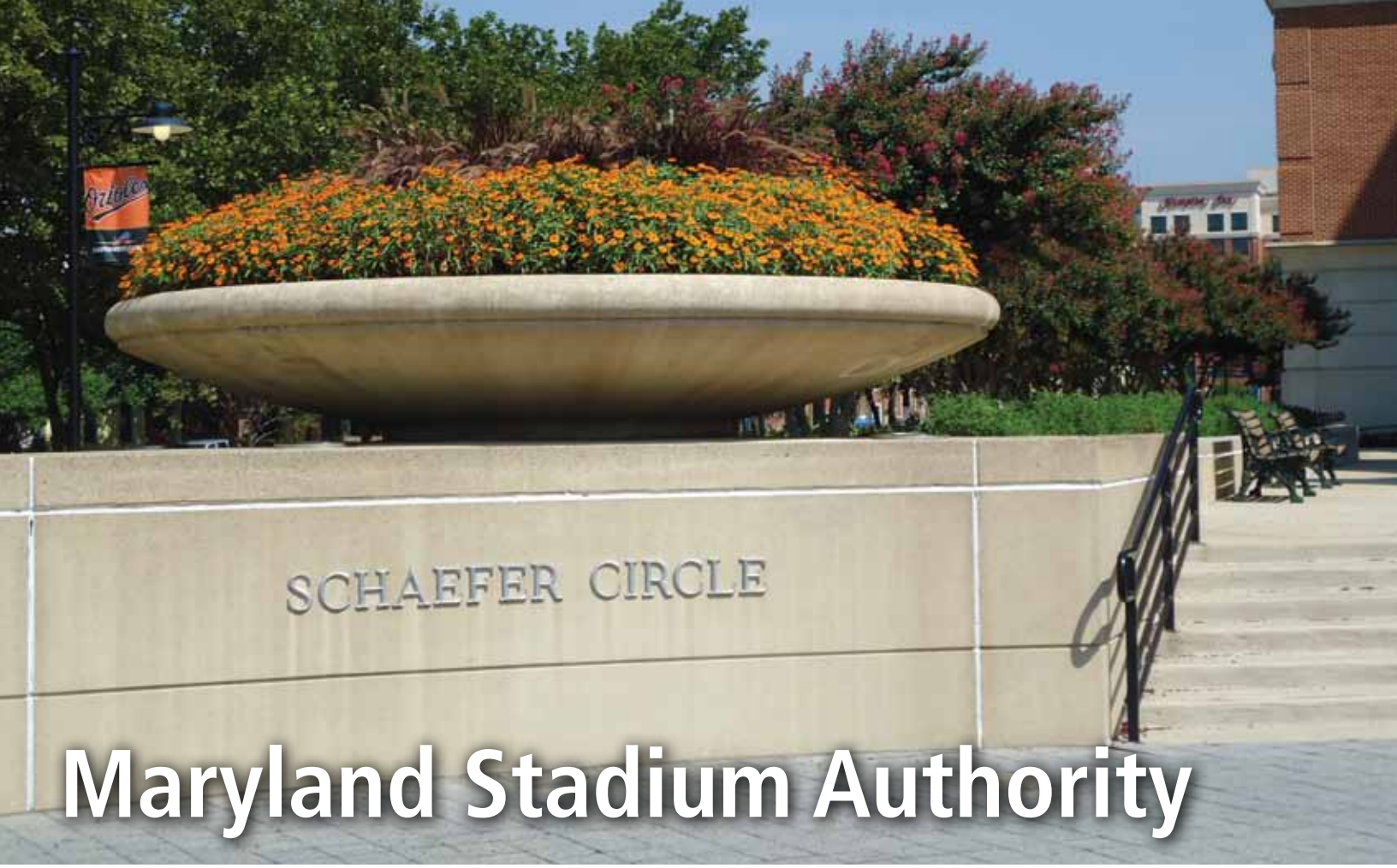


Maryland Stadium Authority

The Best Gets Better

2011 Annual Report

The Best Gets Better

Janet Marie Smith, Orioles Vice-President of Planning and Development, describes the sculpture garden coming to the Bullpen Picnic area as Chairman John Morton surveys the construction site below

Our Mission

- TO PLAN, FINANCE, BUILD AND MANAGE SPORTS AND ENTERTAINMENT FACILITIES IN MARYLAND.
- PROVIDE ENJOYMENT, ENRICHMENT, EDUCATION AND BUSINESS OPPORTUNITIES FOR CITIZENS.
- DEVELOP PARTNERSHIPS WITH LOCAL GOVERNMENTS, UNIVERSITIES, PRIVATE ENTERPRISE, AND THE COMMUNITY.

Our Vision

The Maryland Stadium Authority (MSA) is more than the name implies. Our projects promote historic preservation, adaptive reuse, community redevelopment, cultural arts, and civic pride. MSA has the latitude to negotiate with other government jurisdictions and departments within the State. This includes creating public-private partnerships for financing and operating facilities.

The Maryland Stadium Authority is a catalyst for improving quality of life and creating a climate where industry can flourish. Every project undertaken by MSA has contributed to the community where it is located, and the local economy it helps support.

The Maryland Stadium Authority represents more than buildings. Our continuing legacy is found in activities and attractions that entertain, educate and enrich the Maryland experience for those who live and visit here. Our projects provide a link with our past and an investment in our future. They offer opportunities for our business sector while providing enjoyable experiences for citizens of all ages and interests and sources of civic pride.

Front cover:
Schaefer Circle, dedicated in 1992 to the Governor who envisioned a sports complex at Camden Yards.

Back cover:
Verizon Wireless contractors install conduit and cables for a new cellular antenna system at M&T Bank Stadium

Table of Contents

CHAIRMAN'S LETTER 2
THE YEAR AT CAMDEN YARDS 3
OFFICE OF SPORTS MARKETING 14
THE BEST GETS BETTER 17
PROJECTS AND STUDIES 29
REVISITING CHARLES COUNTY 41
BOARD OF DIRECTORS AND STAFF 42
ORGANIZATIONAL CHART 46
2011 STAFF PHOTO 47
2011 FINANCIAL STATEMENT 48

Chairman's Letter

THE BEST GETS BETTER

IN 2011, ORIOLE PARK AT CAMDEN YARDS CELEBRATED ITS 20TH OPENING DAY. HARD TO BELIEVE MARYLAND STADIUM AUTHORITY'S FIRST PROJECT HAS BEEN AROUND THAT LONG.

What is more amazing, and a credit to our mission and commitment to the citizens of Maryland, is that since completing our first challenge we have continued to develop new projects that contribute to the economy and quality of life throughout the state. And we remain mindful of our responsibility to maintain those assets in our stewardship to the highest level of quality.

In 2011, we demonstrated that and more. This year we improved upon many of our early projects, making them more productive, with greater amenities; more energy efficient and environmentally sensitive.

Our Annual Report visits these projects to show how we've made some very successful facilities even better. We also take a look at potential projects we've been asked to study to determine feasibility.

In 2011 we welcomed some special events to Camden Yards, featuring exciting activities that appeal to a broad scope of Marylanders. This was a year that one of our projects enhancing Camden Yards was also a crucial component of the biggest event we've ever held here - the Baltimore Grand Prix.

Yet, we were again able to hold the line on administrative overhead,while increasing revenue through proactive property management. The Warehouse and Camden Station are now 100% occupied. Hosting telecommunications equipment provides new sources of income. We also were able to return $500,000 to the State of Maryland.

Our Annual Report is a look back – and forward – at the mission of the Maryland Stadium Authority.

Sincerely,

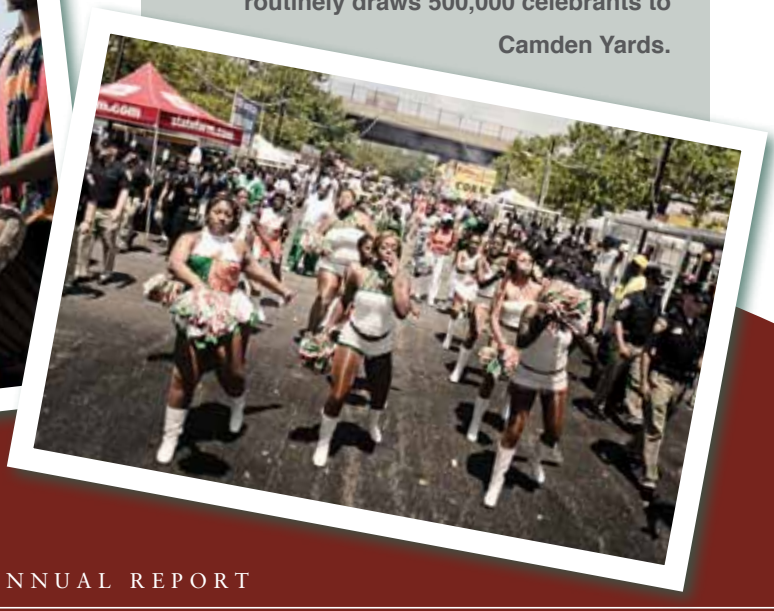
John Morton III, Chairman

The Year at Camden Yards

TOGETHER WITH OUR PARTNERS, MARYLAND STADIUM AUTHORITY IS COMMITTED TO MAKING OUR STATE-OWNED 85 ACRE COMPLEX AVAILABLE TO MORE MARYLANDERS BY OFFERING A VARIETY OF EVENTS AND ACTIVITIES IN OUR FACILITIES. IN 2011, THERE WERE NEW SPORTS, ENTERTAINMENT, AND EDUCATIONAL OPPORTUNITIES WHICH BROUGHT A VARIETY OF VISITORS TO CAMDEN YARDS.

The inaugural President's Cup, a high school baseball tournament organized by City Council President Jack Young, held its championship game at Oriole Park on May 1st. Led by slugging first baseman Ryan Ripken, Gilman defeated Mount Saint Joseph 2-0 in this first annual event.

The City of Baltimore's 10th annual African American music and culture festival took place over the 4th of July weekend. The largest heritage festival on the East Coast routinely draws 500,000 celebrants to Camden Yards.



The Annual Konica Minolta Face-Off Classic on March 12, 2011 featured spirited play, as seen between Virginia and Cornell. The Classic will be back in 2012 with another triple-header of top-ranked NCAA college teams.

DO THE MATH:

Face-Off Lacrosse
March 12th

$1.2 million in spending

10 equivalent full-time jobs for $482,000 in earnings

$92,000 State taxes

$31,000 in local taxes

Crossroads Consulting

Youth teams from throughout the Mid-Atlantic region assembled for a parade around the stadium and onto the playing field.

The 2011 NCAA Men's Lacrosse Championships were again held at M&T Bank Stadium on Memorial Day Weekend. The festivities included family activities throughout the complex with tailgating, pick-up games, vendors, and skill-building competitions for youngsters.

DO THE MATH:

NCAA Lacrosse finals:
Memorial Day Weekend

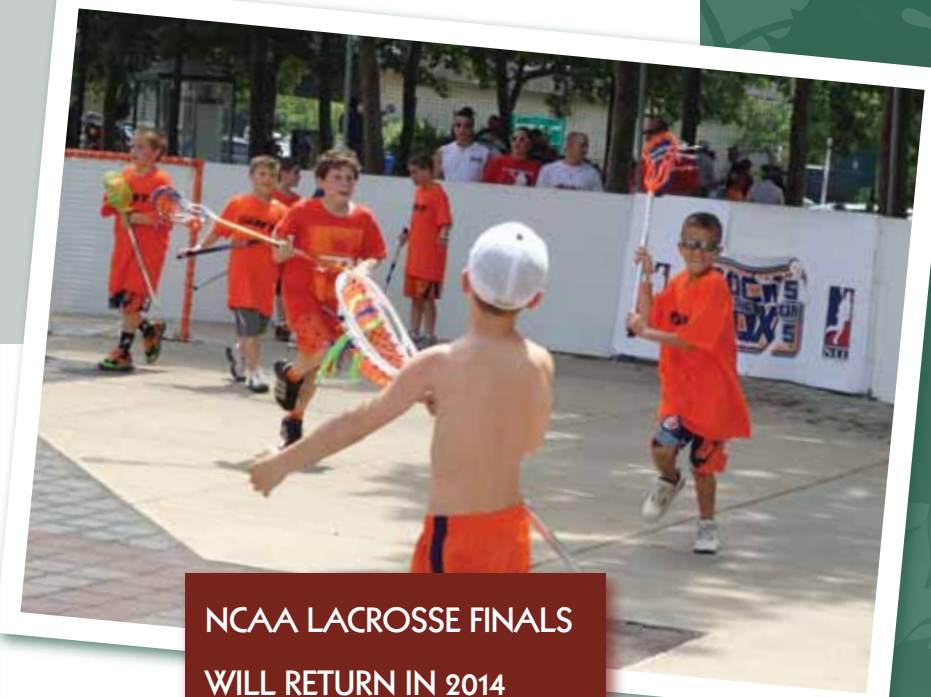
$15.7 million in spending

180 equivalent full-time jobs for $6.4 million in earnings

$1.3 million State taxes

$417,000 in local taxes

Crossroads Consulting



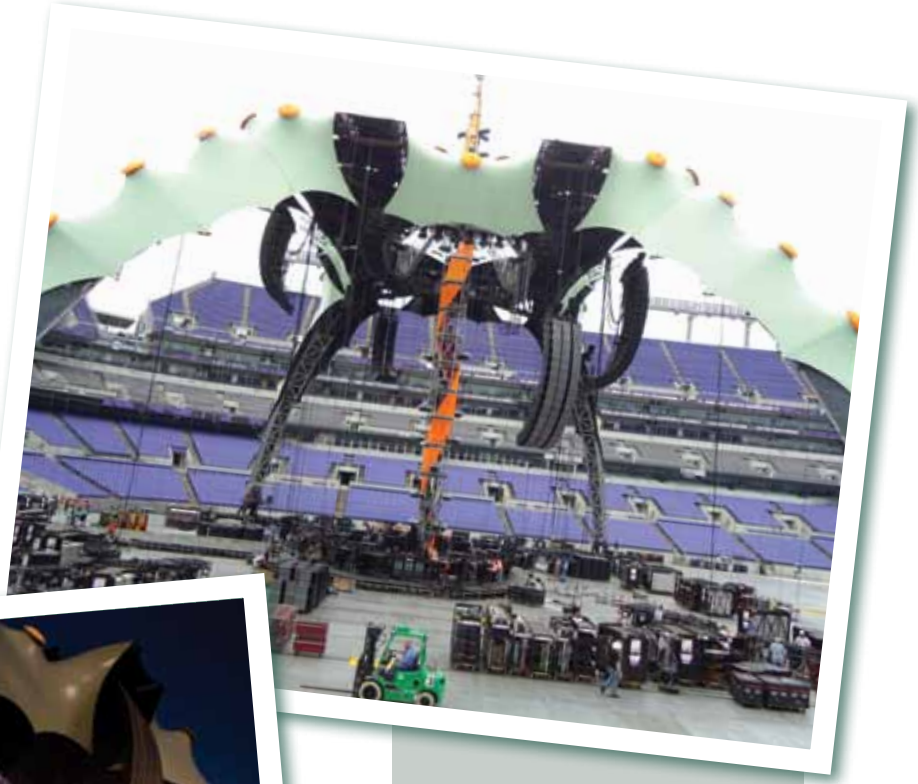
NCAA LACROSSE FINALS WILL RETURN IN 2014

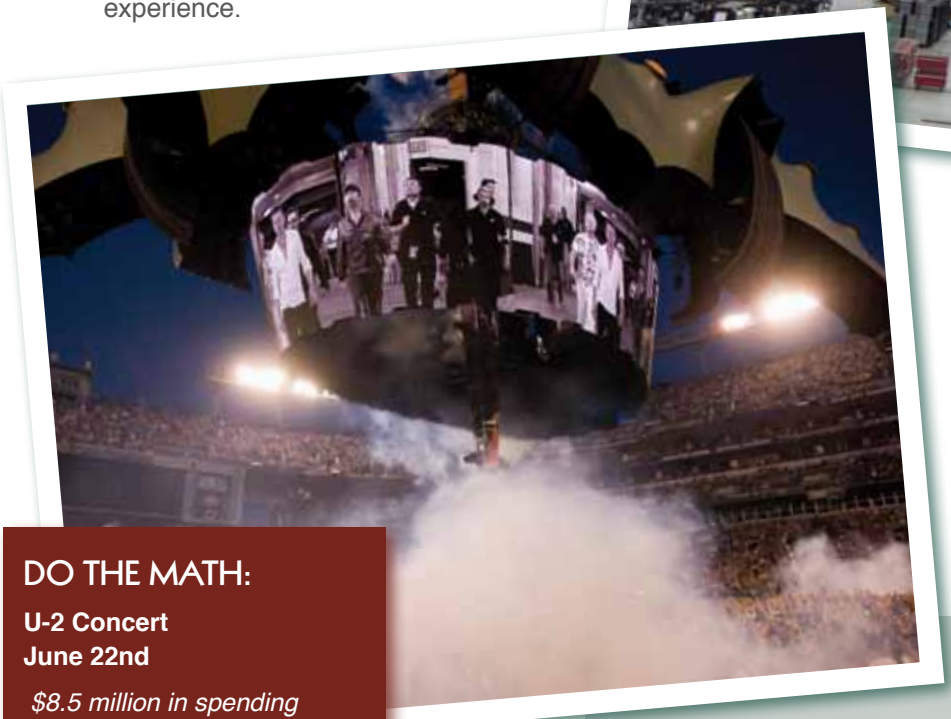
SUMMER 2011

IN THEIR EFFORTS TO OPEN M&T BANK STADIUM FOR MORE FAMILY-ORIENTED AND ENTERTAINMENT ACTIVITIES, THE BALTIMORE RAVENS BOOKED TWO VERY DIVERSE EVENTS -- THE SPECTACULAR U2 "360 DEGREE" CONCERT ON JUNE 22ND, FOLLOWED BY A FULL-SCALE MONSTER JAM JULY 9TH.

Both involved a complete transformation of the field, and major logistical challenges requiring days of preparation and removal.

With cooperative weather and wildly enthusiastic crowds, both productions were major successes. The Ravens finished out the summer with their second annual Open Practice, where they invited fans for a free preview of their 2011 team and provided lots of activities to make this family outing a memorable experience.





The giant claw providing structure for the multi media concert experience arrives long before Bono and the Edge come to town. Assembling took five days.

Prepare for lift-off – with everything in place and a capacity-filled stadium waiting, U2 prepares to take the stage.
– Nicholas Griner,
Baltimore Business Journal

DO THE MATH:

U-2 Concert
June 22nd

$8.5 million in spending

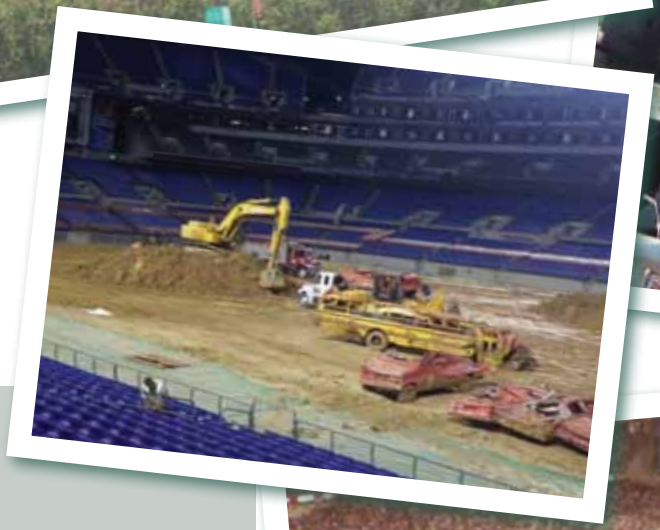
110 equivalent full-time jobs for $3.7 million in earnings

$1.0 million State taxes

$251,000 in local taxes

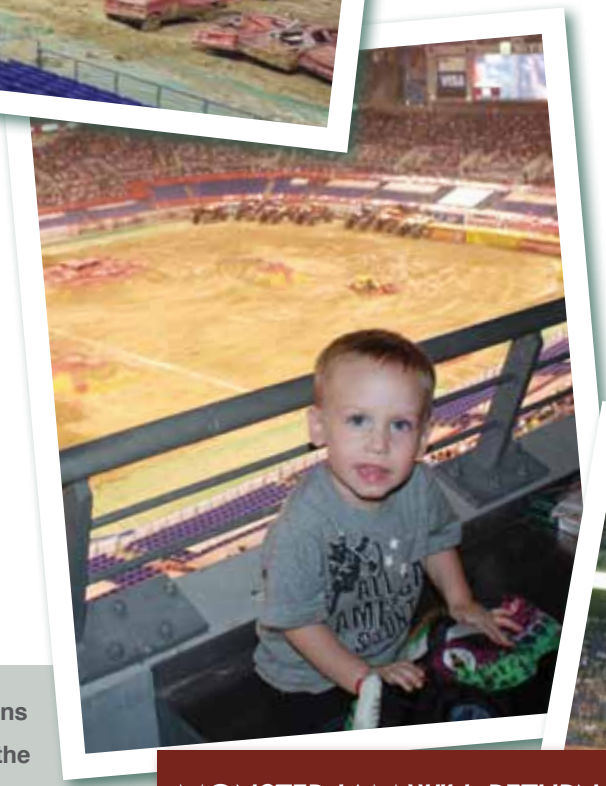
Crossroads Consulting

Anyone who didn't know the Monster Jam was roaring into M&T Bank Stadium on July 9th would have learned quickly from this Nitro Circus billboard suspended over Lot C. This new event was a real crowd pleaser for families with small children.



Local daredevil Travis Pastrana meets with fans in the paddock before the Jam. The preliminary "pit party" was one of the highlights of the day for those who wanted a close-up experience with the trucks and drivers.

The playing field required a major makeover from some heavy equipment before the Monsters rumbled in. 4,000 tons of dirt were hauled in and hosed down before the show.



Even the youngest fans were captivated by the sights, sounds, and smells of Monster Jam.

MONSTER JAM WILL RETURN TO M&T BANK STADIUM JUNE 2, 2012

More than 24,000 fans came to M&T Bank Stadium August 6th to see the Ravens only open practice during the short training season. Many brought their families, and there were plenty of activities for the youngsters

This has to be more fun than training camp

Even in the August heat, it's fun to play "King of the Mountain"

These early birds managed to snag the best seats

BALTIMORE GRAND PRIX

AFTER TWO YEARS OF PREPARATION AND A CONSTRUCTION PROJECT THAT MODIFIED THE EAST SIDE OF THE HISTORIC WAREHOUSE INTO A PIT LANE, THE BALTIMORE GRAND PRIX REVVED INTO TOWN. CAMDEN YARDS TOOK CENTER STAGE AS ACCESS ROUTES BECAME PART OF THE TRACK, PARKING LOTS WERE TURNED INTO PADDOCKS AND CAR CORRALS, AND CAMDEN STATION PROVIDED VIP SEATING.

Despite the promoter's well-publicized financial problems, the three day Festival of Speed provided Marylanders and many out of state visitors with ongoing entertainment, hands-on experiences and thrilling competition.

This set of wheels seems just the right size for this admirer

These two youngsters get a virtual test drive of Will Power's ride in the Verizon corporate tent on Maryland Plaza.

Patron Tequila sponsored the American Le Mans Race. Their Porsche paddock was located just outside M&T Bank Stadium. Thousands of fans streamed along the promenade to examine the race cars on one side and the privately owned sports exotics on the other.

An additional attraction at Le Mans races is the Car Corral, a rally of sports car enthusiasts who drive their high powered vehicles to the event and put them on display. Here, classic Ferraris are the object of covetous stares from the early morning crowd.

One of the highlights of the Car Corral crowd is parading the full course prior to the race.

"That track was probably the best we had all year in terms of atmosphere. The people and the amount of activity at the track were tremendous. They put on the best race we have had all year."

Will Power
Winner of the 2011 Baltimore Grand Prix

Watching the high performance vehicles get assembled was the best part for some auto enthusiasts.

In the heat of the race, pit lane on the east side of the Warehouse looks much different than the parking lot it was a few days before. This MSA capital project was completed between the end of October and Opening Day in April. In addition to the race accommodations, the renovations yielded additional parking, stormwater mediation upgrades, and a more pedestrian friendly plaza at the entrance to the MARC station.

Pulling into traffic from Pit Row is not for the fainthearted.

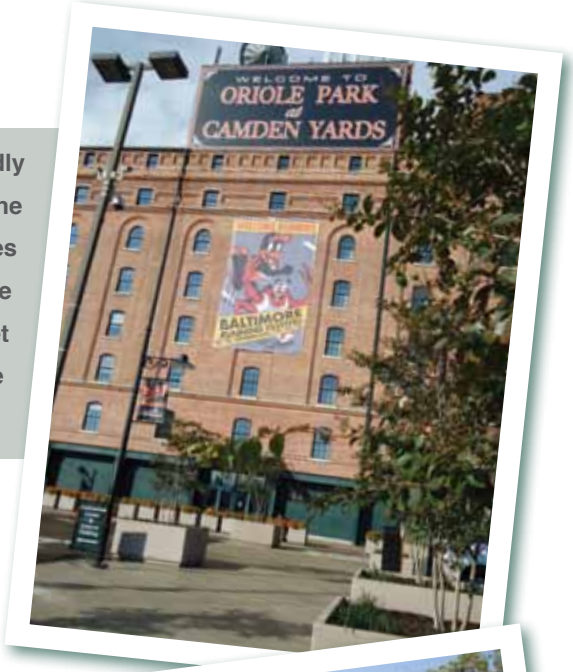
BALTIMORE RUNNING FESTIVAL
OCTOBER 15, 2011

THE 11TH ANNUAL EVENT, FIRST KNOWN AS THE BALTIMORE MARATHON, ATTRACTED A RECORD 25,000 RUNNERS. EVERY YEAR SINCE ITS 2001 INCEPTION REGISTRATION HAS INCREASED 10% TO 20%. THE FESTIVAL CONTRIBUTED AN ESTIMATED $30.6 MILLION TO THE CITY AND STATE ECONOMY, UP FROM $28 MILLION IN 2010. ALL 50 STATES AND 24 COUNTRIES WERE REPRESENTED IN THE 2011 FIELD.

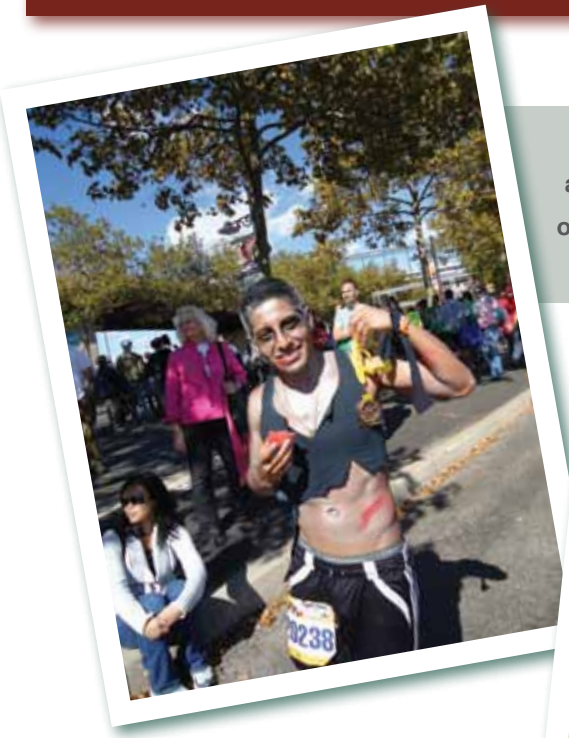
DO THE MATH:

	2001	*2011*
Participants	6,500	25,000
Economic Impact	$11.2 million	$30.6 million
Out of state participants	25%	40%

TOTAL: $193 million, 436,000 visitors



This friendly greeting from the Baltimore Orioles welcomed the largest field yet to the Baltimore Running Festival.



Two weeks before Halloween and already the zombies are out. This one enjoys some watermelon after completing the half marathon.

Almost every participant brings a cheering section, a major factor in the economic impact numbers. The crowd at the finish line fills both sides of Raven Walk, although some prefer to sleep through the excitement.

After ten successful years at Camden Yards, the Baltimore Running Festival has become identified with the sports complex. A permanent finish line, featuring the iconic Maryland flag, was painted in 2011.

SCHOOL CHOICE FAIR

ON NOVEMBER 19, THOUSANDS OF RISING MIDDLE AND HIGH SCHOOL STUDENTS AND THEIR FAMILIES FROM ACROSS BALTIMORE CAME TO CAMDEN YARDS FOR THE ANNUAL SCHOOL CHOICE FAIR, THANKS TO A PARTNERSHIP BETWEEN THE STADIUM AUTHORITY AND BALTIMORE CITY SCHOOLS.

On the Club Level of Oriole Park, students had the opportunity to preview 64 Baltimore City public, middle and high schools. They learned about school options for the coming year, talked to staff and students, and watched performances from school bands, cheerleaders, and dance troupes – all part of the process to determine where they want to attend school.

With nearly 15,000 participating – triple the number from last year – it was the most successful selection event ever.

Baltimore Mayor Stephanie Rawlings-Blake spent time chatting with students at the Choice Fair.

Baltimore City schools CEO Dr. Andrés Alonso enjoys his visit to Oriole Park.

The welcome at Home Plate Plaza was just the beginning of the exciting afternoon.

"This year, thanks to the Maryland Stadium Authority, we were able to hold our annual school choice fair at Camden Yards, a world-class venue. And the excitement and turnout were such that students and families were wrapped around the building waiting to get in!"

Andrés A. Alonso, Ed.D.
CEO, Baltimore City Public Schools

The size of the turnout caught everyone by surprise. Fortunately, the Dunbar High School Band was ready to entertain those waiting in line.

MARYLAND STATE HIGH SCHOOL FOOTBALL CHAMPIONSHIPS DECEMBER 2-3

TRADITIONALLY, THE MARYLAND PUBLIC SECONDARY SCHOOLS ATHLETIC ASSOCIATION HOLDS THE FOUR STATE FOOTBALL CHAMPIONSHIPS FOR MARYLAND'S PUBLIC HIGH SCHOOLS AT M&T BANK STADIUM OVER TWO DAYS, BRINGING STUDENT ATHLETES, FAMILIES, AND FANS TO BALTIMORE FROM ALL OVER THE STATE.

2011 SAW THE LARGEST TURNOUT EVER FOR THE FRIDAY AND SATURDAY GAMES, WITH NEARLY 21,000 ATTENDING.

More than 10,000 were under the Friday night lights for the 4A championship between Old Mill and Quince Orchard.

A two point conversion wins for Old Mill in overtime, 36-35.

Office of Sports Marketing

THE OFFICE OF SPORTS MARKETING (OSM) HAD ANOTHER SUCCESSFUL YEAR AS THEY BUILT UPON PAST INITIATIVES. TEAM MARYLAND, THE PARTNERSHIP ESTABLISHED WITH LOCAL MARKETING BUREAUS, GREW BY 30% WITH THE ADDITION OF THE TOWN OF OCEAN CITY, CHARLES, GARRETT AND BALTIMORE COUNTIES. THE ADVANTAGES TO BEING PART OF SPORTS MARKETING'S TEAM ARE ENHANCED PRESENCE ON THE OSM WEBSITE, MARYLAND @ PLAY, MEMBERSHIP IN THE NATIONAL ASSOCIATION OF SPORTS COMMISSIONS, AND TRADE SHOW PARTICIPATION.

In 2011, the Office of Sports Marketing was instrumental in bringing the popular Dew Tour back to Maryland. Ongoing discussions with Dew officials determined they were looking for an East Coast beach resort, so OSM Director Terry Hasseltine arranged a meeting with Ocean City.

The result was a record-setting weekend for Dew attendance. 73,000+ at the gate also translated into a 7% bump in visitors to the town and significant sales increases in the retail and hospitality sectors.

Also contributing to the host city's long-range benefit were the four hours of live NBC coverage and a week of front page visibility on the Dew website — all featuring views of the boardwalk and surrounding landmarks.

Ocean City also received advertising time during the live coverage, allowing Rodney the Lifeguard to make his pitch to a national audience.

This high-profile event will be returning to the beach in August 2012.

Native Marylander Bucky Lasek won the Dew Tour's Vert competition before a huge crowd in Ocean City.

Photo by Nicholas Griner, *Baltimore Business Journal*

Additionally, Sports Marketing assisted in landing significant future events for Maryland venues. These include:

- 2014 ICF Canoe Slalom World Championships — Deep Creek 2014 was awarded to the Adventure Sports Center International in Garrett County. This is an Olympic qualifying event.
- Tough Mudder, an annual extreme and endurance running event sponsored by Under Armour that will take place in 2012
- Revival of the popular Bay Bridge Crossing, in partnership with the Greater Washington Sports Alliance and Maryland Transportation Authority, to take place in May 2013
- USA Track and Field Junior Olympics, to take place at Morgan State in 2012, and the Masters Indoor Championships in February 2013 at the Prince George's County Sports & Learning Complex.
- LPGA will be returning to Maryland with the Futures Tour coming to Frederick County's Musket Ridge Golf Course in the summer of 2012.
- USA Field Hockey U16 & U19 Regional Club Championship, awarded to Annapolis/Anne Arundel County for June 2012.

OSM raised their national profile with Terry Hasseltine's service on the Board of Directors for the National Association of Sports Commissions. As current Treasurer of the Executive Committee, he will ascend to Chairman in 2013.

"The Dew Tour Pantech Open was one for the books. We can't thank the town of Ocean City enough for the support they gave us to really take hold of this unique opportunity."

Chris Prybylo,
general manager of the Dew Tour

Terry Hasseltine (far right) and TEAM Maryland have a formitable presence at the annual Sports Travel Conference and Expo.

Terry Hasseltine makes frequent media appearances touting the economic impact of Maryland sports. Here, he chats with Jamie Costello and Scott Garceau prior to a Ravens game.

The US Olympic Whitewater Kayaking team trained at the Deep Creek facility, which will host the 2014 Canoe Slalom World Championships.

The Best Gets Better *Camden Yards*

TWENTY YEARS AGO, ORIOLE PARK AT CAMDEN YARDS OPENED TO UNIVERSAL PRAISE FOR ITS BEAUTY AND URBAN SETTING. REDEFINING THE GATEWAY TO DOWNTOWN BALTIMORE, MARYLAND STADIUM AUTHORITY'S FIRST PROJECT WAS SURROUNDED BY A SEA OF ASPHALT, A DESERTED TRAIN STATION, AND VESTIGES OF A MANUFACTURING-ERA INDUSTRIAL PARK.

Since our park opened to the public in 1992, the Stadium Authority has been a partner with local government, private sector interests, and particularly our tenants to make our complex more attractive, productive, and a catalyst for urban revitalization. The restoration of Camden Station, adaptive reuse of the Warehouse, and construction of M&T Bank Stadium all brought additional vitality, while improving the gateway corridor.

More recently, so did the expansion of the Baltimore Convention Center, an MSA project completed in 1997. A luxury apartment building and the new Convention Center hotel filled in the gaps on Pratt Street.

These are ways we have made the best even better over the years of our stewardship – protecting valuable state resources, enhancing revenue production, conserving resources and protecting the environment, and ensuring the safety of those of work and visit here.

Camden Yards, 1992

THE PRODUCERS

PROPERTY MANAGEMENT IS A KEY RESPONSIBILITY OF MARYLAND STADIUM AUTHORITY. THIS GOES BEYOND OPERATIONS AND MAINTENANCE. FINDING WAYS TO MAXIMIZE PROPERTY USE TO INCREASE REVENUE IS A PRIORITY. THERE ARE SOME UNSUNG HEROES IN THIS MISSION WHO DESERVE RECOGNITION IN 2011.

The B&O Warehouse – restored rather than scrapped when the ballpark was developed, is one of these. In addition to being one of the most iconic backdrops in Major League Baseball, the Warehouse functions as a multi-use facility. Although downtown commercial properties averaged 20% vacancy in 2011, the Warehouse achieved a remarkable 100% occupancy by the end of the year.

The Warehouse also generates revenue on its roof, where it hosts a network of telecommunication devices that lease space. A partial list includes:

- Verizon Wireless
- T-Mobile
- Sprint
- Port Networks
- AT&T and AT&T (formerly Cingular)
- Sprint (formerly Nextel equipment)
- Fiber Tower

We also have revenue generating agreements with Comcast Cable, Verizon Business, Level 3 Vyvx, and AT&T Video Services.

DO THE MATH:

In 2011, the telecommunication devices on the Warehouse roof generated $280,000 in rent to the Stadium Authority. That's the equivalent of 15,500 square feet in office space.

Annual rental income for the Warehouse is approximately $3.3 million

Annual rental income for Camden Station is approximately $415,000

Parking Lots – The renaissance of the gateway corridor created jobs which in turn brought commuters, convention goers, and event attendees.

With Camden Yards having the most reasonably priced and conveniently located lots, parking provides not just a service but a reliable source of daily revenue.

Managed by our partners, Central Parking Systems, the lots are used for more than cars. Groups such as the African American Festival, Leukemia & Lymphoma Society, March of Dimes, and Autism Speaks use Camden Yards for charity walks and events. Convention Center exhibits are staged and stored on nearby lots. Car rallies and police training exercises take place on the lower lots.

Parking is another revenue stream that had a career year in 2011. Factors include – more non-game events, installation of metered parking in short term locations, and maximizing the use of more expensive lots for monthly parkers.

Telecommunications – In December, Verizon Wireless completed a year-long project to enhance their coverage in M&T Bank Stadium to better support 4G applications.

This process involved installation of 896 antennas, using 466 miles of fiber optic cable and involving nearly 80,000 man hours of work.

M&T Bank Stadium is one of the few NFL venues to offer this enhanced coverage. Since the system is a universal DAS platform, it is able to accommodate equipment from other carriers to provide improved coverage for all wireless users in the future.

"Pay and Display" machines, installed and activated at the end of 2010, contributed to the increased parking revenue. They operate over a cellular network and monitor metered spaces near Camden Station and the MARC/light rail stop in real time.

In addition to providing a better fan experience with the content the Ravens can offer during games, the new system is a revenue producer for the Maryland Stadium Authority. An initial $36,000 annual rent will increase 3% every year, and potentially even more as other carriers join the system.

In 2012, MSA will issue a request for proposal to install a similar service for Oriole Park.

DO THE MATH:

Budgeted Gross Parking Revenue, 2011 – $1,812,925.00

Actual Gross Parking Revenue, 2011 – $2,056,316.40

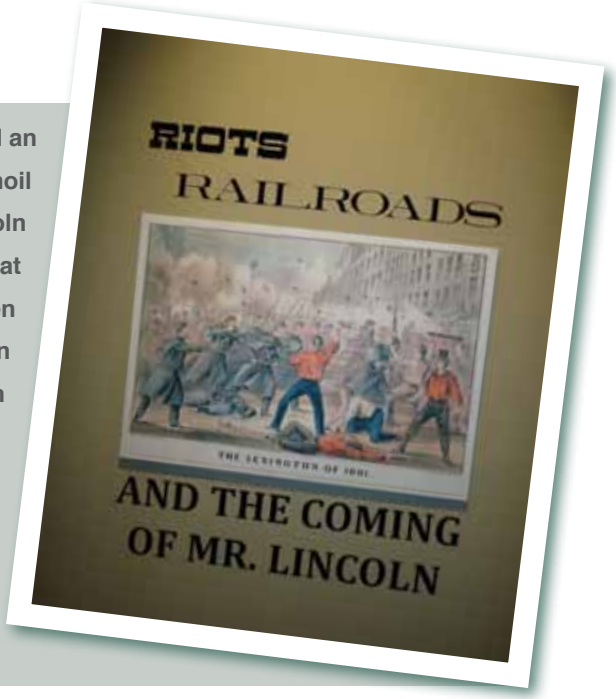
Variance – $243,391.40

These figures are from calendar year 2011

HISTORIC LANDMARKS

ORIOLE PARK OPENED AS A LANDMARK AND VISITOR ATTRACTION BECAUSE OF ITS DESIGN AND DOWNTOWN LOCATION. THROUGH THE YEARS, MORE HISTORIC ATTRACTIONS AND POINTS OF INTEREST HAVE DRAWN VISITORS TO OUR CROSSROADS IN TIME.

Here, President Lincoln hurries in Camden Station just before dawn, commemorating his 1861 visit on his way to Washington to be inaugurated.



Sports Legends created an exhibit relating the turmoil surrounding the Lincoln visit and the riot that broke out at Camden Station when Union troops attempted to move through town. Maryland Civil War history has attracted a legion of visitors throughout the state. Mr. Lincoln will be returning to Camden Station in 2013 to commemorate his stop there on the way to Gettysburg.

Even before the railroads were built, Camden Yards was a gathering place for travelers. In this case, it was the French troops of General Rochambeau who camped here on their way to and from Yorktown, where they helped General Washington defeat the British.

The Washington-Rochambeau Revolutionary Route is now a National Historic Trail, stretching from Newport, Rhode Island to Yorktown, Virginia. These re-enactors commemorate the French contribution to American freedom.

A newly installed wayfaring sign on the Gwynns Falls Trail at M&T Bank Stadium gives a history of the complex and shows how it looked in the early 20th century.

Fortunately for these lost Marathoners, it also features a map of Camden Yards and the surrounding area.

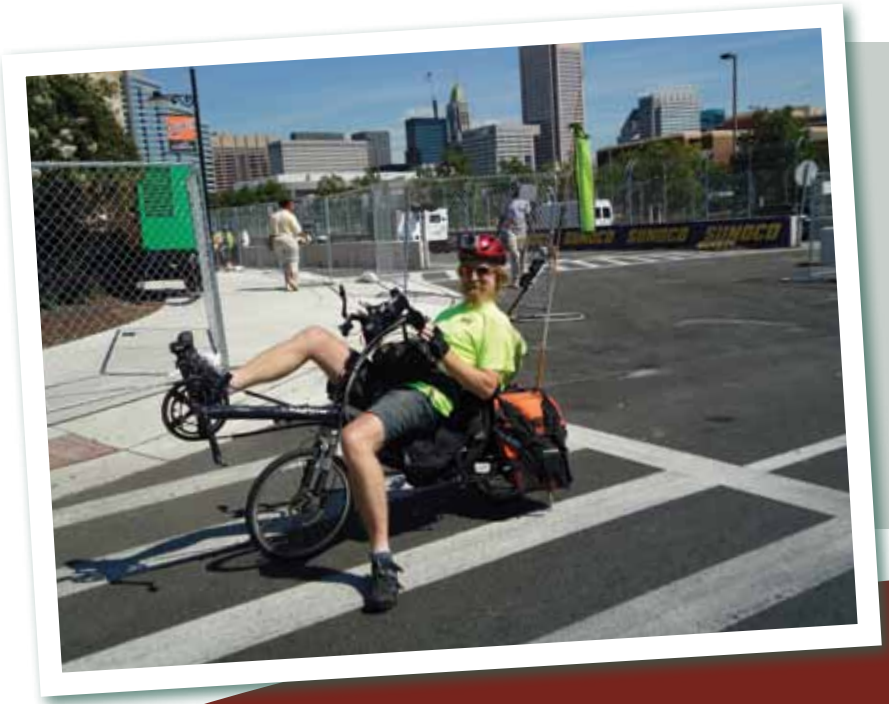
Oriole Park played itself in an episode of the upcoming HBO series "VEEP," starring Julia Louis-Dreyfus. Here, some Oriole players take their cues from the director and sound engineer. Filming took place around the stadium over the course of two days in October.

Picture by: Todd Olszewski of the Orioles

About 30,000 people a year take a guided tour of the ballpark. These out of town tourists get some information from MSA's Thomas Greene about the historic features around the complex.

The Veterans Memorial, bearing the inscription from the edifice of Memorial Stadium, was constructed in 2003 in Maryland Square. It is one of the historic attractions of Camden Yards, particularly to those with fond memories of 33rd Street.

MSA employees Mary Buckingham and Dave Thaden raise the 1812 flag in early January, commemorating the Bicentennial of the War of 1812.



Camden Yards has been a transit center since General Rochambeau stopped over in 1781. Trains, light rail, bus routes and interstate highways converge here. This commuter prefers the Gwynns Falls Trail, which brings him through the complex every day.

In 2011, increased bicycle ridership to events prompted MSA to install more permanent racks for stadium events.

ENVIRONMENTAL SENSITIVITY

AS ONE OF THE MOST VISIBLE PUBLIC FACILITIES IN THE STATE, CAMDEN YARDS SERVES AS A MODEL FOR BEST PRACTICES IN RESOURCE CONSERVATION, RECYCLING, AND ENVIRONMENTALLY SENSITIVE LANDSCAPING. IN RECENT YEARS, WE HAVE RETROFITTED MANY APPLIANCES AND ADOPTED NEW POLICIES TO REDUCE ENERGY USE. RECYCLING EFFORTS HAVE BEEN REDOUBLED TO REDUCE THE AMOUNT OF WASTE THAT GOES TO LANDFILLS. INSTALLING MORE TREES, NATIVE VEGETATION, AND PERENNIALS AROUND THE COMPLEX MEANS LESS WATERING, FERTILIZING AND MOWING TO OTHERWISE DIMINISH OUR CARBON FOOTPRINT. IN 2011, WE MADE SIGNIFICANT PROGRESS IN THESE EFFORTS.

In early 2011, 70 crape myrtles in ornamental planters were installed around the east side of the Warehouse. By late summer, the flowering trees with colorful annuals provided an attractive new entrance to the complex. They are watered with roof runoff captured in a 7,000 gallon tank installed under the parking lot.

A dozen mature sycamore trees were placed along the pedestrian throughway between Camden Station and the Conway entrance, providing instant canopy. The ornamental cherry trees they replaced were transplanted to the west side of Oriole Park.

By planting perennials and low-maintenance ornamental grasses, MSA has been able to reduce seasonal replacements while limiting costs and reducing resource requirements.

1

2

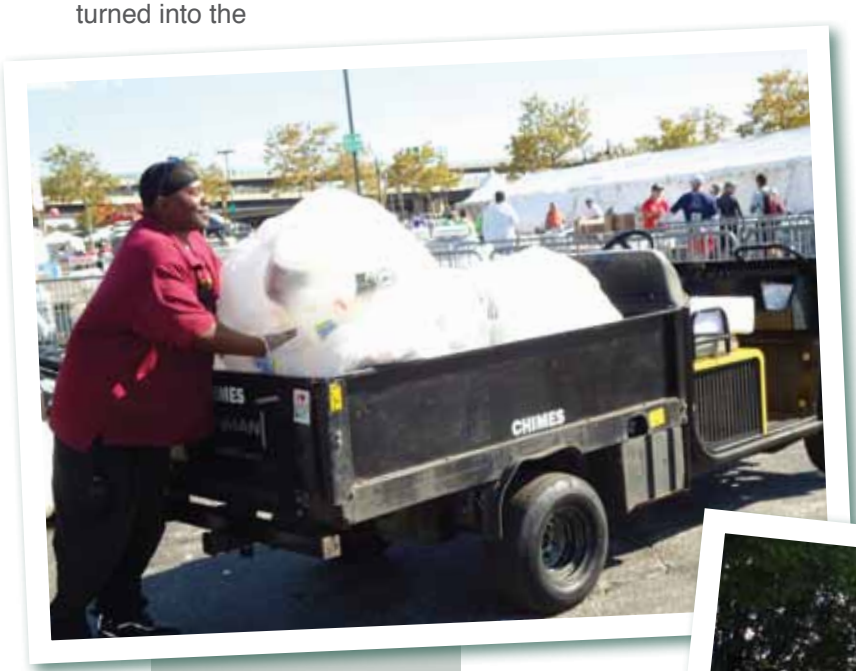
Colorful, low-maintenance perennials replace grass in sensitive areas around M&T Bank Stadium. (1) on a steep bank they stem runoff (2) in a wetland, they absorb rainwater and prevent erosion

RECYCLING

IN 2011, MARYLAND STADIUM AUTHORITY INCREASED EFFICIENCY IN THE AMOUNT AND VARIETY OF MATERIALS RECYCLED AT THE COMPLEX.

Well over 400,000 lbs. of waste was recycled from Orioles and Ravens game day operations. Instead of ending up in landfills, our recycled material (processed by a nearby facility) has been turned into the next generation of aluminum cans and plastic bottles. Recycled paper is often exported for use abroad, providing more business for the Port of Baltimore in the process.

Recycling doesn't start and end with football and baseball. A special effort is made to ensure a recycling plan is in place for every major event taking place at our complex.



In 2011, MSA's janitorial partner, Chimes, was retained to do recycling for the Baltimore Marathon.

Central Parking's "Green Team" expanded the tailgate recycling program they piloted last year. This year, all parkers were greeted by a Green Team member, who gave them a recycle bag for their tailgate trash. Carts and hand trucks patrolled the lots to pick up recyclables before game time.

The business of recycling includes construction and equipment replacement. In the past 12 months, MSA has also recycled the following:

- 35,480 lbs. of steel from the replacement of an escalator
- 2,140 lbs. of steel from the replacement of a handicap lift
- 954 tons of asphalt
- 32.24 tons of miscellaneous pipes and a cooling tower
- 36.8 tons of pallets
- 15.92 tons of fluorescent light tubes
- 32.407 tons of grease

In 2011, MSA joined the Green Sports Alliance, enabling us to share best practices, recycling trends, and cutting edge recycling technology with other stadiums throughout the world.

One of the original Oriole Park escalators is removed for replacement. Instead of scrapping the obsolete equipment, MSA recycled all the materials, yielding nearly 18 tons of metal.

Recyclables are sorted and stacked during the construction process

SAFETY FIRST

OF ALL MARYLAND STADIUM AUTHORITY'S RESPONSIBILITIES AT CAMDEN YARDS, THE MOST IMPORTANT IS SECURITY – OF THE VALUABLE STATE PROPERTY IN OUR STEWARDSHIP, AND THE SAFETY OF ALL THOSE WHO WORK AND VISIT HERE.

The focus of this mission changed in 2001, when a freight train derailment in the adjacent CSX tunnel caused a chemical fire that threatened downtown Baltimore in July, and the 9/11 terrorist attacks occurred two months later. Since then, security focus has broadened from prevention of crime to response to natural and industrial accidents and implementing counterterrorist practices. These are ongoing challenges that require regular communication with all law enforcement and first response agencies as well as comprehensive staff training and state-of-the-art security equipment.

Security also manages the safe traffic flow operations on game days and the movement of crowds in and out of the complex.

Jim Slusser, MSA's former Director of Security and Safety, conducts one of the periodic meetings with all state and local agencies who have jurisdiction near the Camden Yards complex. They review any changes in traffic or other logistics that may impact access and impede operations from one season to the next.

This group also meets prior to large events to discuss special challenges and requirements to make the stadium experience safe and comfortable.

Pedestrian safety is always a concern at street and rail crossings. Here, MSA's Willie Mason mans his regular game day station in the middle of Hanover Street

In 2011, new practices were implemented and new equipment acquired as MSA continued to enact the recommendations of the Hillard-Heintz security audit. Both Oriole Park and M&T Bank Stadium continue to be ranked near the top in league security audits.

In 2011, the Orioles, Ravens, and MSA invested in a video board at the end of Lee Street. This versatile display can be programmed in real time to deliver messages on parking, traffic flow, and safety.

It can also convey our hometown pride for the hundreds of commuters who pass through the complex every day.

Security Director Jim Slusser, left, takes his successor, Vern Conaway, on game day patrol. Jim retired from MSA in 2011 after almost twenty years.

2011 brought an unexpected security challenge to Camden Yards when an earthquake struck, necessitating a survey of the buildings to determine possible structural damage. Here, on the day after the earthquake, Executive Director Mike Frenz talks with an engineer from San Francisco who was examining M&T Bank Stadium for possible cracks. Thankfully, all Camden Yards buildings (including the historic Camden Station and Warehouse) remain structurally sound.

The Best Gets Better

Projects and Studies

ORIOLE PARK AND CAMDEN YARDS RENOVATIONS

ON OPENING DAY, 2011, A CAPACITY CROWD HAD THE OPPORTUNITY TO SEE SOME MAJOR STRUCTURAL CHANGES AND NEW DESIGN ELEMENTS IN ORIOLE PARK. IN ADDITION TO THE REPLACEMENT OF THE UPPER DECK SEATS, THE NEW PARTY PLATFORMS WERE UNVEILED, WITH THEIR TABLES AND RAIL SEATING.

The Orioles, their new catering partner Delaware North, and the Maryland Stadium Authority worked together to upgrade the flooring at the Home Plate entrance, lighten the food court in the concourse, and apply historic murals to the wall. As exciting as these changes are, the Orioles and the Stadium Authority are now hard at work to finish some dramatic new features to Oriole Park before the 20th anniversary season begins on Opening Day.

The concourse level at Oriole Park was brightened significantly by the new vendors launched on Opening Day. This included new food concessions and new retail shops.

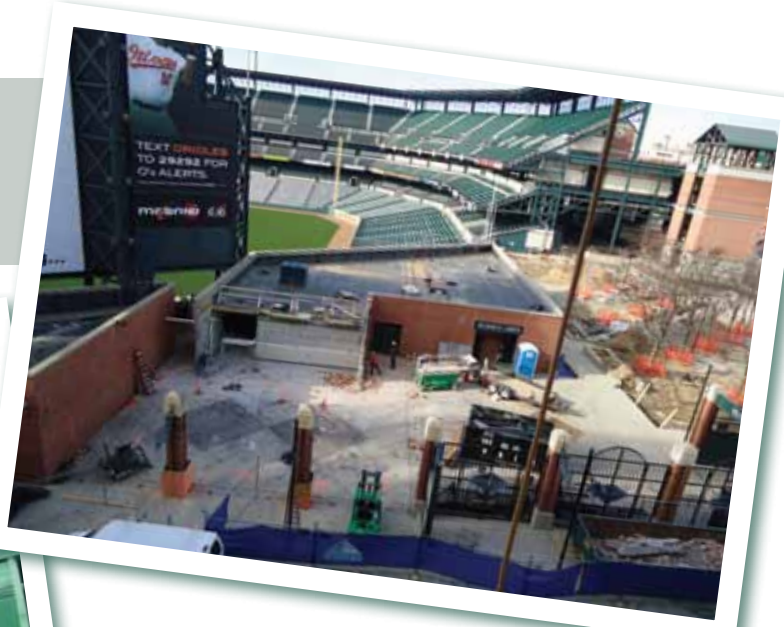
"Peter Angelos and over 46,000 fans were thrilled with the 2011 improvements."

Janet Marie Smith, *Orioles Vice-President of Planning and Development, on Opening Day 2011*

Renovations to the Club level created platforms for table seating and bar rails. These proved particularly popular with parties and corporate outings.

To commemorate the team's 20th year at Camden Yards, the Orioles are partnering with the Stadium Authority for additional amenities inside the stadium and a tribute to Orioles Hall-of-Famers in the popular bullpen picnic area adjacent to Camden and Eutaw Streets which will also become accessible on non-game days.

Construction on these and other ambitious undertakings began in December.



After this concession area is razed, a new bar and dining space will be constructed on the upper level. This view from atop the "batters eye" will offer fans the chance to socialize while enjoying the game.

Not all 2011 improvements to Oriole Park were cosmetic. The original upper deck escalator was replaced in the off-season with a more efficient one. All the metal from the old escalator was recycled.

Larger than life sculptures of the six Orioles in the Hall of Fame will be unveiled during the course of the 2012 season. Frank Robinson, Brooks Robinson, Earl Weaver, Jim Palmer, Eddie Murray and Cal Ripken, Jr. will take their places among these trees in a terraced Bullpen Picnic Grove.

CAMDEN YARDS COMPLEX

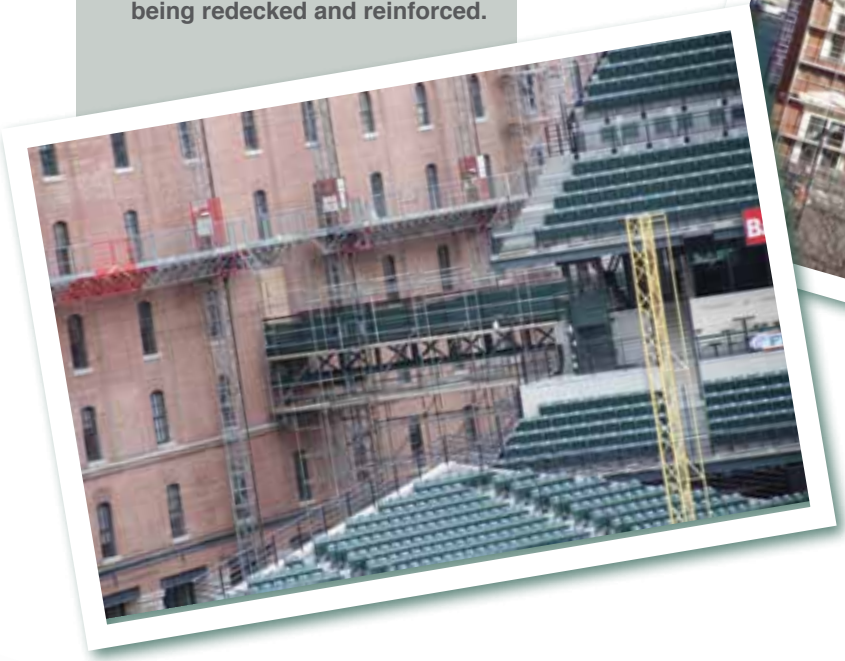
IN 2011, THE THIRD PHASE OF THE MULTI-YEAR CAPITAL IMPROVEMENT PLAN FOCUSED ON THE TWO HISTORIC TREASURES AT CAMDEN YARDS – THE 1904 B&O WAREHOUSE AND THE 1855 CAMDEN STATION.

Both brick buildings were in need of façade work, which included repointing mortar, waterproofing, and roof replacement.

For many months the buildings were framed in scaffolding as the work took place. Despite their ages, the two buildings are structurally sound and should be productive assets for many years to come.

Five stories above Eutaw Street, MSA's Human Resource Director Rodger Dorsey continues to work while drilling and welding take place over his shoulder.

The pedestrian bridge between the Warehouse and Oriole Park is being redecked and reinforced.



Both Camden Station and the Warehouse are laced with scaffolding as work progresses on their facades.

OCEAN CITY CONVENTION CENTER EXPANSION

IN DECEMBER, 2007, THE TOWN OF OCEAN CITY ASKED THE STADIUM AUTHORITY TO CONDUCT A FEASIBILITY STUDY FOR ANOTHER EXPANSION OF THEIR CONVENTION CENTER.

The study evaluated the existing structure, the current convention market, options for capital improvements, and the scope for a performing arts center.

The feasibility study was released in December, 2008.

In August, 2010, the Ocean City Council approved plans for an $8.9 million expansion with a groundbreaking in August, 2011.

On November 7th, the Ocean City Council approved plans for a $14 million auditorium that will include two tiers of fixed seating, dressing rooms, and a ticket office. The 1,248-seat auditorium, which includes two tiers of seating, will be a major upgrade over the convention hall's existing ballroom and stage.

If approved by the Maryland General Assembly in their 2012 session, this new auditorium project could begin in 2013.

Ocean City Mayor Rick Meehan chats with Governor Martin O'Malley at the August groundbreaking.

PROJECT EXECUTIVE:
GARY A. MCGUIGAN

ASSISTANT PROJECT MANAGER:
TIARA ROBERTSON

MARKET/ECONOMIC STUDY:
CROSSROADS CONSULTING COMPANY

STUDY COST: $65,000

STUDY COMPLETION:
NOVEMBER, 2008

ARCHITECT/DESIGN:
BECKER MORGAN

CONSTRUCTION MANAGER:
WHITING TURNER

PROJECT COST: $8.9 MILLION

ESTIMATED COMPLETION DATE:
OCTOBER 2012

Past and present Ocean City officials – including former mayors Fish Powell and Jim Mathias – join Governor O'Malley for the ceremonial shoveling.

"The Maryland Stadium Authority is where economic development and quality of life projects meet. There is no better example of that than in Ocean City."

Richard Meehan
Mayor, Town of Ocean City

A rendering of the proposed future Ocean City Convention Center Auditorium.

On time, on budget.

COPPIN STATE UNIVERSITY COMPLEX

WHEN THE STADIUM AUTHORITY COMPLETED CONSTRUCTION OF THE $134,000,000 PHYSICAL EDUCATION COMPLEX AT COPPIN STATE UNIVERSITY IN 2010, WE FINISHED ON TIME AND APPROXIMATELY $3 MILLION UNDER BUDGET.

This provided the necessary funding to demolish the old 110,000 sq. ft. Coppin Center and redevelop it to include green space, lawn areas, new landscape/hardscape, site lighting, and parking.

This revitalized area, located adjacent to the newly renovated campus quad, began in October 2011 and will be planted in early spring 2012.

"The projects Maryland Stadium Authority managed at Coppin have been transformational – not just for our campus, but the West Baltimore Community we serve.

Dr. Maqbool Patel
Associate Vice President for Administration and Finance
Coppin State University

COPPIN CENTER DEMOLITION

PROJECT EXECUTIVE:
GARY A. MCGUIGAN

PROJECT DIRECTOR:
ERIC JOHNSON

DESIGN/CONSTRUCTION BUDGET:
$2.3 MILLION

CONSTRUCTION MANAGER:
BROUGHTON CONSTRUCTION

ARCHITECT:
HORD, COPLAN, & MACHT

The old Coppin Center has been demolished. In its place will be an attractive addition adjacent to the campus quad.

The Physical Education Complex completed in 2010 was awarded LEED Silver certification in 2011.

CAMDEN YARDS EAST WAREHOUSE IMPROVEMENTS

IN MAY, 2011, ENHANCEMENTS TO THE CAMDEN YARDS SPORTS COMPLEX WERE COMPLETED TO ACCOMMODATE A PIT LANE FOR THE BALTIMORE GRAND PRIX. THESE ALTERATIONS INCLUDED THE ADDITION OF TRAFFIC CIRCLES, INCREASED PARKING, IMPROVED PEDESTRIAN ENTRANCE, AND THE WIDENING OF LEE STREET BY THE CITY OF BALTIMORE.

The project also included environmental and aesthetic improvements to the eastern gateway of the complex.

More than 100 trees were planted along the eastern gateway to the Camden Yards complex as a part of this project.

This new pedestrian landing provides a safer passage to fans on game days, as well as a more attractive gateway to the complex

CAMDEN YARDS EAST WAREHOUSE IMPROVEMENTS

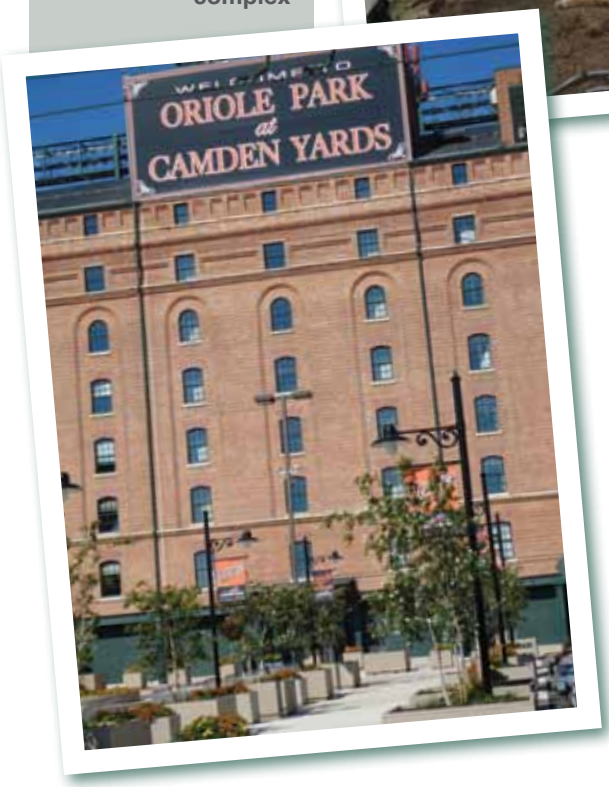
PROJECT EXECUTIVE:
GARY A. MCGUIGAN

PROJECT DIRECTOR:
ERIC JOHNSON

DESIGN/CONSTRUCTION BUDGET:
$2.1 MILLION

CONSTRUCTION MANAGER:
J. VINTON SCHAEFER

ARCHITECT:
BECK, POWELL & PARSONS



BALTIMORE GRAND PRIX

- **Although not as financially successful as an earlier study predicted, a post-race study showed the State received $2 million in taxes and produced the equivalent of 273 jobs.**
- **MSA secured a $900,000 escrow payment before the $2.3 project began, which was recovered completely after default -- recouping a sizable portion of the investment.**
- **MSA will continue to pursue complete payment. City of Baltimore is currently selecting a new race operator. Future races will provide additional opportunities to recover funds without additional outlay on MSA's part. State will receive additional tax revenue with little or no additional investment.**

STUDIES

2011 WAS A BUSY YEAR FOR FEASIBILITY STUDIES ON POTENTIAL PROJECTS THROUGHOUT THE STATE. MAJOR STUDIES, LIKE THE RESTORATION AND EXPANSION OF THE BALTIMORE CITY CIRCUIT COURTHOUSE AND THE REDEVELOPMENT OF THE WICOMICO YOUTH AND CIVIC CENTER, WERE RELEASED. NEW PROSPECTS, FOR MULTI-PURPOSE FACILITIES IN VARIOUS REGIONS OF THE STATE, WERE REQUESTED BY LOCAL JURISDICTIONS AND OTHER STATE AGENCIES.

"A Maryland Stadium Authority feasibility study has become the 'Good Housekeeping Seal of Approval' when the state considers investing in proposed projects."

Fred Puddester,
Former MSA Chairman

WICOMICO COUNTY STUDY

In September 2010, Wicomico County requested the Stadium Authority to perform a study on their aging Youth and Civic Center in Salisbury.

Crossroads Consulting performed the preliminary market study to evaluate the existing facility, its uses, and whether it is economically feasible to renovate and expand it or build a new one.

The study, released in January 2012, recommended renovating the existing facility and expanding ballroom and exhibit space instead of building a new facility.

Phase II of the study may begin in 2012. It includes program refinement, preliminary design, cost estimate, and financing options.

BALTIMORE CITY COURT HOUSE COMPLEX STUDY

In November 2008, the City of Baltimore requested Maryland Stadium Authority to conduct a feasibility study for the potential modernization of the historic circuit court complex and possible construction of a new courthouse.

Study elements include program development, conceptual design, site analysis and cost.

The contract to perform the study was awarded to AECOM Design in April, 2009. It was released in May 2011. A copy of this comprehensive study may be viewed on the MSA website at: http://www.mdstad.com/content/view/94/127.

BALTIMORE CITY CONVENTION CENTER EXPANSION/ARENA/ HOTEL STUDY

In May 2011, Baltimore Mayor Stephanie Rawlings-Blake and Governor Martin O'Malley requested the Stadium Authority to study the viability of a public-private sector plan submitted by the Greater Baltimore Committee. This plan is to rebuild and expand the east wing of the Baltimore Convention Center, and construct an adjacent 18, 500 seat arena and 500 room hotel.

The study, performed by Crossroads Consulting, includes a market and economic analysis of the convention center expansion, incremental tax benefits for all three venues, and a funding strategy.

Baltimore architectural firm Ayers Saint Gross provided renderings to illustrate how the Convention Center Expansion/Arena/Hotel project would look from various angles.

The study is posted on the MSA website at http://www.mdstad.com/content/view/105/143/.

CITY OF FREDERICK CONFERENCE CENTER STUDY

In July 2011, Mayor Randy McClement of Frederick requested MSA to review and update a 2008 study commissioned by the City for a hotel/conference center project envisioned for the downtown business district.

The full review of the material will include market and economic projections for this public/private enterprise and expected incremental tax revenues.

TROY PARK TENNIS AND SPORTS CENTER STUDY

In June 2011, Howard County Executive Ken Ulman requested the Stadium Authority to conduct a market and economic study to determine the feasibility of the Troy Park Tennis and Sports Center, a project originally proposed by the Tennis Patrons of Howard County.

The scope of the study is to determine economic projections.

In August 2011, the County amended its request to include an additional study to consider the economic impact and site plan for a soccer training facility for DC United as part of the facility.

The first part of the study will be released in early 2012.

WASHINGTON REDSKINS TRAINING CENTER/TEAM HEADQUARTERS STUDY

In June 2011, Prince George's County Executive Rushern Baker asked the Stadium Authority to conduct a market and economic analysis to determine the economic impact of attracting the Washington Redskins Training Center and Team Headquarters to an undeveloped, county-owned site near Bowie State University and the MARC Station.

The market study and initial site analysis will be conducted by Crossroads, Inc. It is expected to be completed in early 2012.

MARYLAND HORSE PARK STUDY

In August 2011, the Maryland Department of Agriculture asked MSA to perform a viability study for a Maryland Horse Park based on the extensive study performed in 2006 for a specific venue.

The Maryland Horse Industry Board, a division of MDA, would like to determine if the conclusions of this report are still applicable to the current market and economy before pursuing the project again.

This first phase of a feasibility study will be available in early 2012.

SHOW PLACE ARENA AND PRINCE GEORGE'S COUNTY EQUESTRIAN CENTER STUDY

In December, Maryland-National Capital Parks and Planning Commission officially requested MSA to study the operations of the Show Place Arena and Equestrian Center in Upper Marlboro. The study will evaluate the potential of this existing facility and make recommendations how operations and marketing can be improved.

This study will be conducted in conjunction with Prince George's County Department of Recreation and Parks.

The Best Gets Better
Regency Furniture Stadium

WHEN REGENCY FURNITURE STADIUM OPENED IN APRIL, 2008, THE HOMETOWN BLUE CRABS WERE AN IMMEDIATE SUCCESS WITH THE COMMUNITY. THEIR EYE-CATCHING, GARNET GABLED STADIUM, BUILT AS A PARTNERSHIP BETWEEN THE TEAM'S OWNERS, CHARLES COUNTY, AND THE STATE OF MARYLAND, WAS DESIGNED TO BE A VERSATILE VENUE FOR YEAR-ROUND USE.

"Regency Furniture Stadium continues to serve as a family-oriented recreational facility, and is a highlight of our community. The stadium has improved the quality of life in Charles County, and the greater Southern Maryland region.

Thanks to the cooperative agreement between Charles County and the Maryland Stadium Authority, the long-awaited dream of having a multi-purpose sports venue that can be enjoyed by the public year-round is now a reality."

Candice Quinn Kelly,
President, Charles County Commissioners

In 2008, the year it opened, it hosted fewer than 100 outside events. By 2009, that number grew to 250. In 2010, more than 350 activities took place there. And in 2011, they totaled 415.

Regency Stadium has staged everything from Willie Nelson to charity walks; from church services to weddings to family reunions, and every kind of community event imaginable. Like Camden Yards, it also serves as an important transit hub, with commuter buses and carpools meeting in the parking lots during the week.

For those partners who stepped up to the plate to invest in Charles County, Regency Furniture Stadium was clearly a home run, and a source of pride to the Stadium Authority who helped make it possible.

The Cub Scout sleepover on the field every summer is a thrill for these campers!

The stadium lots are a popular venue for autocross rallies, drawing enthusiasts from throughout the region.

Board of Directors

THE MARYLAND STADIUM AUTHORITY IS GOVERNED BY A SEVEN MEMBER BOARD OF DIRECTORS, WHO SERVE STAGGERED FOUR YEAR TERMS. SIX DIRECTORS ARE APPOINTED BY THE GOVERNOR, WITH ONE APPOINTED BY THE MAYOR OF BALTIMORE.

JOHN MORTON III, CHAIRMAN

John Morton III was appointed to the Maryland Stadium Authority Board on July 1, 2008. On November 7, 2008, Governor Martin O'Malley selected him to succeed Frederick W. Puddester as Chairman.

Mr. Morton, a senior business and financial services executive, brings extensive experience to the MSA Board including having served as CEO and President of three major financial institutions, as a board member for four public corporations and as a leader in business, professional, educational and civic organizations.

From 1996 to 2006, Mr. Morton served in various capacities with the Bank of America/NationsBank, including his role as President of the Mid-Atlantic Region from 1997 to 2001, and as President of Premier Bank from 2001 to 2005.

Prior to his service with Bank of America, Mr. Morton was Chairman, CEO and President of the Boatmen's National Bank of St. Louis, Missouri, the Farm and Home Financial Corporation of Kansas City, Missouri and with the Perpetual Financial Corporation of McLean, Virginia.

Mr. Morton also has served as Chairman of the Greater Baltimore Committee, as Director of the University of Maryland College Park Foundation, and as Committee Chairman of the effort to bring the 2012 Olympics to the Washington/Baltimore region. Mr. Morton currently is a Director with the U.S. Naval Academy Athletic and Scholarship Programs. He was instrumental in raising funds for the community activities associated with the 2000 Army-Navy game in Baltimore.

Mr. Morton is a 1967 nuclear science graduate of the U.S Naval Academy. He earned a Master of Business Administration degree from Harvard University in 1973.

LEONARD J. ATTMAN

Leonard J. Attman was appointed as a member of the Maryland Stadium Authority on July 1, 2005. President of Attman Properties Company, Mr. Attman has more than four decades of experience in residential and commercial real estate development. His professional experience includes the development of apartment communities, individual home developments, shopping centers and a recreational park.

Mr. Attman attended the University of Maryland. His involvement in professional, civic and philanthropic organizations includes membership on the Boards of Sinai Hospital, the Shosana S. Cardin High School, Beth Tfiloh Brotherhood, the Board of Directors of the Reginald F. Lewis Museum and the Signal 13 Foundation for the Baltimore City Police Department. In addition he actively participates in the activities of many other organizations including the Advisory Board for the Shock Trauma Unit at the University of Maryland Medical Systems. Mr. Attman was the founder and serves as Chairman of the Board of Directors of Future Care which manages nine nursing home facilities serving more than 1,300 patients and providing employment for more than 1,500 people.

FREDERICK W. PUDDESTER

Frederick W. Puddester was appointed Chairman of the Maryland Stadium Authority by Governor Martin O'Malley on July 1, 2007 and was succeeded by John Morton III, on December 1, 2008.

Mr. Puddester was Senior Associate Dean for Finance and Administration of the Krieger School of Arts and Sciences at Johns Hopkins University until Jun 30, 2011. Mr. Puddester was previously Executive Director of Budget and Financial Planning at Hopkins, responsible for the development of the University's $3.5 billion operating budget and $1 billion five-year capital program. Mr. Puddester also served as Secretary to the Board of Trustee's Finance Committee and represented the University on the Boards of several subsidiaries owned by the University and Johns Hopkins Health System.

Prior to joining Johns Hopkins University, Mr. Puddester was Secretary of the Maryland Department of Budget and Management from 1996 to 2000. He also served as a Deputy Chief of Staff to the Governor, Deputy Secretary and Finance Director in the Budget Department and spent nine years on the budget staff for the Maryland General Assembly.

Mr. Puddester received his Bachelor's degree in Political Science from the University of Vermont and a Master's degree in Public Policy from Rutgers University.

Mr. Puddester completed his term on the Maryland Stadium Authority Board on June 30, 2011.

JOSEPH C. BRYCE

Joseph C. Bryce is the Governor's Senior Policy and Legislative Advisor. Prior to working for Governor O'Malley, Mr. Bryce was the Associate Vice Chancellor for Government Relations at the University System of Maryland. He has also served as the Chief Legislative Officer for Governor Parris N. Glendening, the Legislative Assistant to Senate President Thomas V. Mike Miller, Jr., and was an Associate at Covington & Burling.

Mr. Bryce is a 1989 magna cum laude graduate of the University of Maryland, and a 1993 summa cum laude graduate of Georgetown University Law Center, where he finished first in his graduating class. He currently resides in Odenton with his wife, Kristin, and children, Joey and Madison.

WELDON H. LATHAM

Weldon Latham is a senior Partner in the Washington, DC office of Jackson Lewis LLP. He represents Fortune 200 companies, and federal, state, and local government agencies in a variety of legal matters, including corporate diversity counseling, employment law, and government relations.

Mr. Latham serves as Counsel to the PepsiCo Global Diversity and Inclusion Governance Council and the Omnicom Group Diversity Advisory Committee. He is a member of the National Employment Law Council and Economic Club of Washington.

Mr. Latham served as Assistant General Counsel, White House Office of Management and Budget; General Deputy Assistant Secretary, Department of Housing and Urban Development; member of the Defense Department Advisory Committee on Procurement and Technical Data Rights; Civilian Aide to the Secretary of the Army; member of the U.S. Small Business Administration National Advisory Council.

Mr. Latham is an Adjunct Professor of Law at the Georgetown University Law Center and a former Guest Professor at both the University of Virginia and Howard University Schools of Law. Mr. Latham holds a B.A. in Business Administration from Howard University, a J.D. from Georgetown University Law Center.

KALIOPE PARTHEMOS

Kaliope Parthemos is Baltimore Deputy Mayor of Economic and Neighborhood Development. Ms. Parthemos oversees 17 agencies, including those involved in economic development, transportation and tourism. Prior to accepting these responsibilities in 2010, Ms Parthemos was Deputy Chief of Staff for the President of City Council, now Mayor, Stephanie Rawlings-Blake. She was appointed the City's representative to the MSA board by Mayor Rawlings-Blake in April, 2010.

Ms. Parthemos has a Bachelor of Science degree from University of Maryland, Baltimore County and Juris Doctorate from University of Maryland School of Law. She served as a public defender for five years and also as a foster care caseworker prior to working in the City administration.

MANERVIA W. RIDDICK

Manervia W. Riddick is Senior Vice President for Business Development and Public Affairs at Strategic Solutions Center, Inc, a Washington area government and business support services consulting firm. She serves as SSC's team leader on major energy services projects for national and international clients.

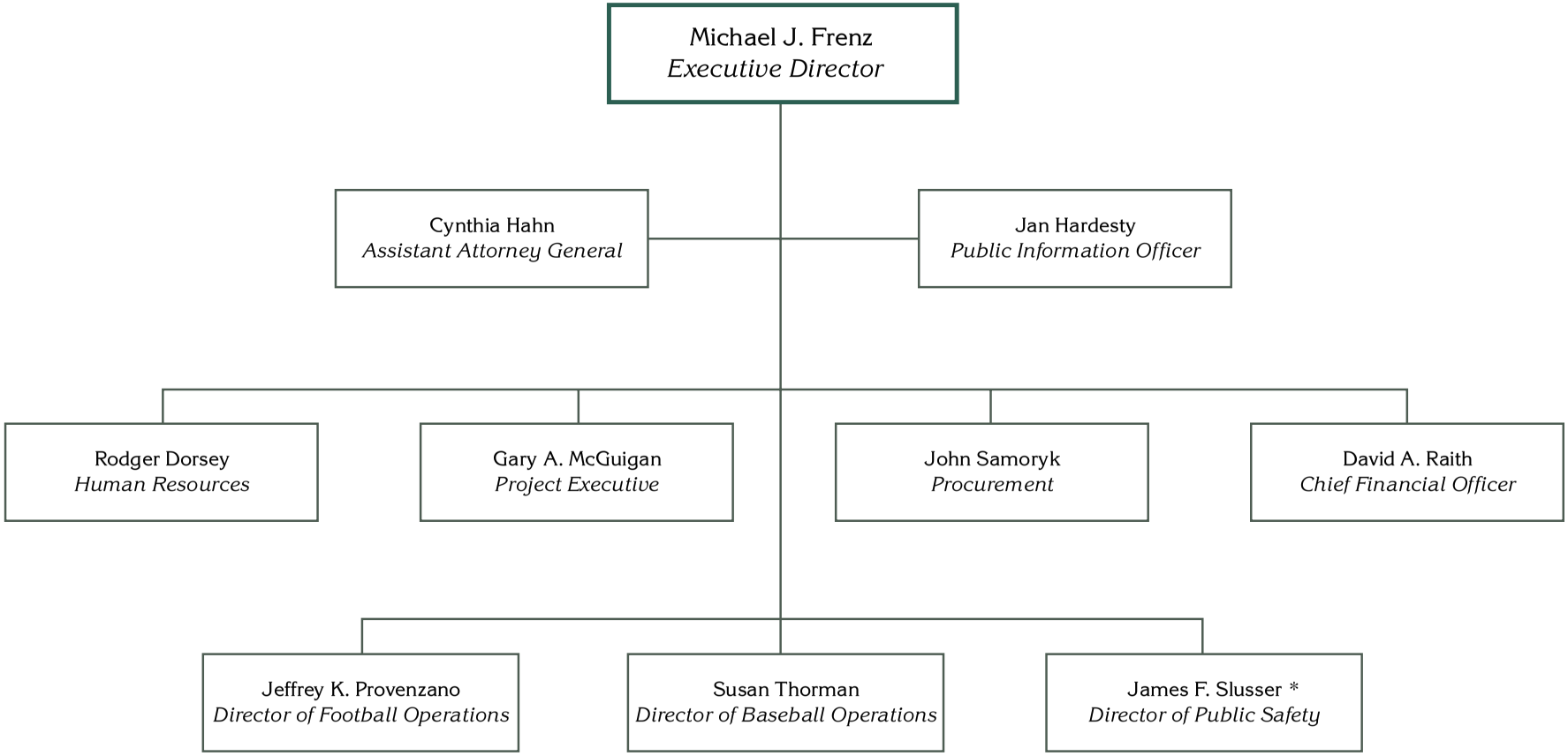
Before her retirement, Mrs. Riddick was the Director of Public Affairs for Washington Gas. Her occupational background and experience include regulatory, legislative, community, and consumer development. She was a Vice President and General Manager of Metrovision of Prince George's County, the local cable television company which is now a franchise of Comcast, Inc.

Mrs. Riddick held numerous positions with the U.S. Department of Justice, from Special Assistant to the Assistant Attorney General to National Director of Policy Planning and Coordination for the Office of Juvenile Justice Delinquency Prevention. Mrs. Riddick also has an extensive history of social and civic volunteer service, which includes the Board of Directors and Executive Committee of Nexus Health, Chair of the Maryland Center Board, and Member of the Foundation Board for Norfolk State University.

Her past affiliations also include board leadership with the Maryland and Prince George's County Chambers of Commerce.

Mrs. Riddick is a graduate of Norfolk State University and further graduate study in urban planning and public administration at Old Dominion University, in Norfolk, VA.

MARYLAND STADIUM AUTHORITY



*Vernon Conaway, Jr. holds this position effective December 1, 2011.

MSA 2011 STAFF PHOTO

LEFT: ***(Row 1)*** **Rose Bordine, Nina Miller-Barys, Lisa Johnson,** ***(Row 2)*** **Jeremy Faw, Robert Linsebigler, Walter Schmidbauer, Dana Brown, Ray Winfrey, Dawn Abshire, John Smith, Jerone Evans,** ***(Row 3)*** **Patrick Kmieciak, Michael Muncy, John Waters, Rick Pack,** ***(Row 4)*** **Mark Libby, Joseph Kirby, Gilbert Cooper, Michael Frenz, Darryl Matthews**

RIGHT: ***(Row 1)*** **Vola Linton, James Archer, Pamela Miller,** ***(Row 2)*** **Diane Connelly, Mary Cunningham, John McKinney, Carolyn Wright, David Raith,** ***(Row 3)*** **Al Ringham, Sandra Fox, Gary McGuigan, Jeffrey Provenzano,** ***(Row 4)*** **Helene Hillestad, Susan Thorman, Matthew Kastel,** ***(Row 5)*** **Janet Hardesty, Rodger Dorsey, Philip Cohen,** ***(Row 6)*** **Michael Andrejczuk, William Schier, Joseph March, David Donoghue**

Photograph by Phil Cohen

2011 Financial Statement

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

TO THE BOARD OF THE MARYLAND STADIUM AUTHORITY

We have audited the accompanying statement of net assets of the Maryland Stadium Authority (the Authority), a component unit of the State of Maryland, as of June 30, 2011, and the related statement of revenue, expenses, and change in net assets, 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 auditing standards generally accepted in the United States of America. 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 disclosures 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 Authority as of June 30, 2011, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

SB & Company, LLC

SB & Company, LLC
Certified Public Accountants
Hunt Valley, Maryland
September 30, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Statements and Financial Analysis

The Maryland Stadium Authority (the Authority), a component unit of the State of Maryland, is honored to present the fiscal year 2011 financial statements. The Authority's responsibilities include operation of the baseball and football stadiums, the B&O Warehouse and Camden Station located at Camden Yards, oversight of several convention centers, and construction management for various projects throughout the State of Maryland.

There are three financial statements presented for the reader: the Statement of Net Assets; the Statement of Revenue, Expenses and Change in Net Assets; and the Statement of Cash Flows.

Statement of Net Assets

The Authority's Statement of Net Assets presents the assets, liabilities, and the net assets as of June 30, 2011. The Statement of Net Assets provides the reader with a financial picture of the Authority's assets (current and noncurrent), liabilities (current and noncurrent), and net assets (assets minus liabilities) or the financial position of the Authority at the end of the fiscal year.

From the information presented, the user of the Statement of Net Assets is able to determine the assets available for the continuing operations of the Authority. The user is also able to determine what cash and cash equivalents are available and amounts owed to and by the Authority. The purpose of the Statement of Net Assets is to show the user what is available for future needs of the Authority.

The net assets are divided into four categories. The first category, "invested in capital assets," reflects the Authority's investment furniture and equipment and facility rights. The second category, "restricted for debt service," represents funds held by the Authority with the restricted purpose of paying debt service on the outstanding bonds. The third category, "restricted for capital assets," is funds available for use on specific projects only. The final category, "unrestricted," is available funds held by the Comptroller's Office at the State of Maryland less the liability related to the interest rate swap.

Below is a comparison of the Statements of Nets Assets as of June 30, 2011 and 2010:

	As of June 30,	
	2011	**2010**
ASSETS		
Current assets	$ 43,162,436	$ 53,795,351
Capital assets, net	151,928,189	158,819,945
Other noncurrent assets	202,352,039	218,123,269
Total Assets	**397,442,664**	**430,738,565**
LIABILITIES		
Current liabilities	31,449,886	34,372,831
Noncurrent liabilities	267,912,332	293,300,132
Total Liabilities	**299,362,218**	**327,672,963**
NET ASSETS		
Invested in capital assets	119,632,015	110,181,526
Restricted for debt service	3,985,118	4,919,198
Restricted for capital assets	3,104,560	16,437,774
Unrestricted	(28,641,247)	(28,472,896)
Total Net Assets	**$ 98,080,446**	**$ 103,065,602**

Statement of Net Assets (continued)

During fiscal year 2011, total assets for the Authority decreased from the prior year by approximately $33.3 million dollars, due to: 1) restricted cash and cash equivalents decreased approximately $14.3 million as a result of a $13.3 million being used for capital projects at the Camden Yards Complex and $1.0 million used for debt service; 2) capital leases receivable decreased by approximately $14.8 million which includes a $2.5 million increase from a decline in restricted cash and cash equivalents that are available to be used for debt service, and a decrease of $17.3 million for 2011 principal payment received; and 3) intangible assets decreased by $5.4 million as a result of an increase in capital improvements to the Camden Yards Complex of $8.5 million and a decrease of $13.9 million for depreciation and disposals.

The increase in net accounts receivable of approximately $2.5 million is the result of the following: an increase due from the Baltimore Racing Development LLC for reimbursement of costs related to improvements to the Camden Yards for $2.7 million and a decline in Oriole rent of $0.2 million for unpaid advertising revenue. Deferred financing costs decreased approximately $0.4 million as a result of $0.1 million being capitalized from the issuance of the Series 2011 bonds and a decrease of $0.5 million for the 2011 amortization. Notes receivable increased by $0.3 million resulting from an increase of $0.6 million related to the renovations of suites less the principal payments made of $0.3 million. Finally, furniture and equipment decreased by approximately $1.5 million because of additions of $0.6 million for the current year, offset by depreciation of $2.1 million.

Total liabilities for the fiscal year 2011 decreased by approximately $28.3 million. Interest and accounts payable for fiscal year 2011 decreased by approximately $5.2 million. The reasons for the decrease are the interest payable accrued in fiscal year 2011 increased by $0.4 million mainly related to debt service on the energy and equipment lease financing and an decrease in trade payables of $5.6 million. Deferred revenue increased by approximately $0.5 million as a result of an addition of $0.7 million for the rate of return on the Baltimore Racing Development LLC reimbursement and deferred revenue being recognized as income in fiscal year 2011 of $0.2 million. There was a decrease in the equipment, financing, and lease revenue bonds of approximately $18.1 million as a result paying $18.1 million toward the outstanding principal on the lease revenue bonds. Finally for fiscal year 2011, the derivative liability decrease of $5.7 million as a result of change in the fair market values of derivatives.

Statement of Revenue, Expenses and Change in Net Assets

Below is a comparison of the Statements of Revenue, Expenses, and Change in Nets Assets for the years ending June 30, 2011 and 2010:

	For the Years Ended June 30, 2011	2010
Operating revenue	$ 31,602,181	$ 32,772,437
Operating expenses	41,134,610	43,136,143
Operating loss	(9,532,429)	(10,363,706)
Non operating expenses	(17,487,697)	(35,609,704)
Loss before contributions	(27,020,126)	(45,973,410)
Contributions from primary and local governments and other sources	22,034,970	21,272,976
Decrease in net assets	(4,985,156)	(24,700,434)
Net assets at beginning of year	103,065,602	127,766,036
Net Assets at End of Year	**$ 98,080,446**	**$ 103,065,602**

The change in net assets as seen on the Statement of Net Assets is based on the activity that is presented on the statement of revenue, expenses, and change in net assets.

Statement of Revenue, Expenses and Change in Net Assets (continued)

The presentation of the statement of revenue, expenses, and change in net assets discloses the revenue and expenses for the Authority during fiscal year 2011. The revenue and expenses are presented in operating and non operating categories.

At the end of fiscal year 2011, the statement of revenue, expenses and change in net assets disclosed a $5.0 million decrease to net assets. The following information explains the decrease to net assets.

Operating revenue generated at the Camden Yards Sports Complex for fiscal year 2011 totaled $31.6 million. The material percentage of the revenue received by the Authority relate to the operation of the stadiums. The Baltimore Orioles' rent is based upon a percentage of revenue streams formula and the Baltimore Ravens pay 100% of the operating and maintenance expenses of the football stadium. This accounts for approximately $15.0 million of the revenue for fiscal year 2011.

The teams are required to pay a 10% ticket charge to the State of Maryland of which the Authority receives 8% and Baltimore City receives 2%. The revenue from the admission taxes for both teams was approximately $9.5 million.

Located at the Camden Yards Sports Complex are the B & O Warehouse and Camden Station that were renovated for office and museum space. There currently are tenants renting more than 220,000 square feet that, combined with several cellular antenna sites, generate approximately $4.0 million a year. Other revenue from the Camden Yards Sports Complex include parking receipts from non-game days, other non-professional events, catering commissions, trademark revenue, construction management fees for other construction projects not part of the Camden Yards Sports Complex and adjustments to capital assets, which total approximately $4.6 million for fiscal year 2011.

Non-operating revenue for fiscal year 2011 was $6.1 million which is generated by several sources. In 2007, the Baltimore Ravens paid $1.7 million on the payment option of the chiller and generator plants. A portion of these savings is recognized as revenue each year. For fiscal year 2011, this figure was approximately $0.2 million. The second source of non-operating revenue is investment income received on money held by trustees on various bond issuances and from an outstanding note from the Baltimore Orioles. It approximates $0.3 million for fiscal year 2011. Lastly, the change in fair value of swaps account for $5.6 million of revenue.

Overall, revenue for fiscal year 2011 decreased by approximately $1.2 million from revenue in fiscal year 2010 due to an decrease in Orioles Rent' of $1.2 million for additional advertising revenue that was recognized in 2010, increase in admission taxes of approximately $1.4 million as the result of higher ticket prices and an increase in non-professional events at the football stadium, decrease in Baltimore Ravens' contribution of $0.6 million from lower operating costs, $0.2 million decrease from warehouse and stadium rental revenue, and a $0.8 million decrease in miscellaneous sales.

Net operating expenses decreased $2.0 million for fiscal year 2011. Explanations for the decrease in fiscal year 2011 are as follows:

- During fiscal year 2011, utility costs for the Camden Yards Complex decreased by $1.5 million. This is the result of a reduction in usage and rebates for the installation of energy efficient equipment.
- Parking expenses decrease by $0.2 million as a result of cost containment in 2011.
- Miscellaneous expenses decreased by $0.1 million largely from a decrease in bad debt expense for 2011.

Non-operating revenue and expenses declined by $18.1 million in fiscal year 2011. There was a decline in interest expense of $0.3 million related to a decline in principal balance. Investment income increased by $0.1 million resulting from interest earned on accounts held by the State of Maryland. The State's share of the operating deficit for the Baltimore Convention and Ocean City Convention Centers decreased by $0.5 million a result of decreased costs. Finally, the change in liability due to the fair value of the hedge decrease by $17.2 million.

The Authority also received appropriations from the State of Maryland to be used for several purposes. An appropriation was made for the outstanding Capital Lease Receivables due from the State of Maryland. The money received from the State of Maryland along with $1.0 million received yearly from Baltimore City is used to pay the debt service on the outstanding bonds issued by the Authority. The Authority also has a contractual obligation to pay one-half of the operating deficits at the Ocean City Convention Center and two-thirds of the operating deficit of the Baltimore City Convention Center. Further, the Authority is required to contribute annually to an improvement fund for the Ocean City and Baltimore City Convention Centers of $50,000 and $200,000, respectively. The total of these contributions for fiscal year 2011 was approximately $22.0 million.

Statement of Cash Flows

The last statement presented is the statement of cash flows. The statement presents detailed information about the activities involving cash, and the statement is broken down into five parts. The first part of the statement relates to the operating cash flow and shows the net cash used to operate the Camden Yards Sports Complex; the second relates to the cash flow resulting from noncapital financing activities; the third relates to cash flow from capital and related financing activities; the fourth relates to the cash flow from investing activities; and the fifth reconciles the net cash used to the operating loss on the statement of revenue, expenses, and change in net assets.

Below is a comparison of the Statements of Cash Flows as of June 30, 2011 and 2010:

	For the Years Ended June 30,	
	2011	**2010**
Cash flows from:		
Operating activities	$ 1,910,445	$ 1,540,275
Noncapital financing activities	(19,898,490)	(16,116,962)
Capital and related financing activities	5,322,483	22,576,939
Investing activities	12,594,768	(12,445,486)
Net decrease in cash and cash equivalents	(70,794)	(4,445,234)
Cash and cash equivalents, beginning of year	2,381,090	6,826,324
Cash and Cash Equivalents, End of Year	**$ 2,310,296**	**$ 2,381,090**

Capital Assets and Debt Administration

The Authority had $9.0 million of additions to capital assets in 2011. The Authority had an increase in debt during 2011 of $0.1 million due to the series 2011 Ocean City Convention Center Refunding bond issuance. Debt was also decreased by principal payments of $18.1 million.

Economic Outlook

The Authority is not aware of any facts, decisions or conditions that will have a significant impact on the financial conditions during the fiscal year beyond those unforeseen situations that will have the same global effect on virtually all types of business operations.

The Authority has the support of the Maryland General Assembly for its current activities. The Authority will continue to monitor revenue and closely watch expenditures to the best of its ability.

STATEMENT OF NET ASSETS

AS OF JUNE 30, 2011

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 2,238,211
Restricted cash and cash equivalents	72,085
Restricted investments	7,017,593
Accounts receivable, net	10,926,447
Due from primary government	3,763,904
Interest receivable	204,628
Note receivable, current portion	449,568
Capital leases receivable, current portion	18,490,000
Total Current Assets	**43,162,436**
NONCURRENT ASSETS	
Prepaid expenses and other assets	780,448
Note receivable, net of current portion	4,041,503
Capital leases receivable, net of current portion	195,323,830
Deferred financing costs, net	2,206,258
Capital assets:	
Furniture and equipment, net	9,400,900
Intangible assets, net	142,527,289
Net capital assets	151,928,189
Total Noncurrent Assets	**354,280,228**
Total Assets	**397,442,664**

LIABILITIES	
CURRENT LIABILITIES	
Accounts payable and accrued expenses	$ 7,873,043
Interest payable	2,746,611
Deferred revenue	317,374
Bonds payable and capital leases, current portion	20,512,858
Total Current Liabilities	**31,449,886**
NONCURRENT LIABILITIES	
Accrued expenses, net of current portion	1,157,715
Bonds payable and capital leases, net	223,717,310
Deferred revenue	1,445,853
Interest rate swap liability	41,591,454
Total Noncurrent Liabilities	**267,912,332**
Total Liabilities	**299,362,218**

NET ASSETS	
Invested in capital assets	$ 119,632,015
Restricted for debt service	3,985,118
Restricted for capital assets	3,104,560
Unrestricted	(28,661,247)
Total Net Assets	**$ 98,080,446**

The accompanying notes are an integral part of this financial statement.

STATEMENT OF REVENUE, EXPENSES, AND CHANGE IN NET ASSETS

YEAR ENDED JUNE 30, 2011

OPERATING REVENUE	
Baltimore Orioles' rent	$ 5,612,138
Baltimore Ravens' contributions	9,498,949
Admission taxes	7,869,303
Warehouse rents	3,952,115
Catering commissions	595,812
Parking revenue	1,876,525
Miscellaneous sales	2,197,339
Total Operating Revenue	**31,602,181**
OPERATING EXPENSES	
Salaries and wages	7,623,268
Telephone and postage	84,597
Travel	16,824
Utilities	3,215,418
Vehicle expense	24,191
Contractual services	13,746,563
Parking	1,398,404
Supplies and materials	664,801
Depreciation and amortization	13,574,064
Fixed charges	318,616
Miscellaneous	467,864
Total Operating Expenses	**41,134,610**
OPERATING LOSS	**(9,532,429)**
NON OPERATING (EXPENSES) REVENUE	
Contributions to others for operating deficit and capital improvements	(7,473,390)
Investment income	550,408
Change in fair market value of swaps	5,663,102
Interest expense	(16,227,817)
Total Non Operating Expenses	**(17,487,697)**
Loss before contributions	(27,020,126)
Contributions from Primary Governments	**22,034,970**
Change in net assets	(4,985,156)
Total net assets, beginning of year	103,065,602
Total Net Asset, End of Year	**$ 98,080,446**

The accompanying notes are an integral part of this financial statement.

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2011

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Camden Yards	$ 31,822,656
Payments to employees and related disbursements	(7,607,971)
Payments to suppliers	(22,304,240)
Net Cash From Operating Activities	**1,910,445**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Contributions from primary governments	22,034,970
Convention Center operating deficit and capital improvements	(7,815,248)
Principal paid on bonds payable and capital leases	(18,262,772)
Interest payments	(15,855,440)
Net Cash From Noncapital Financing Activities	**(19,898,490)**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(9,616,542)
Proceeds from capital leases receivable	14,814,025
Proceeds from debt issuance	125,000
Net Cash From Capital and Related Financing Activities	**5,322,483**
CASH FLOWS FROM INVESTING ACTIVITIES	
Sale of investments	14,795,024
Interest and gains on investments	193,933
Proceeds from note receivable	305,474
Loans made to others	(2,699,663)
Net Cash From Investing Activities	**12,594,768**
Net decrease in cash and cash equivalents	(70,794)
Cash and cash equivalents, beginning of year	2,381,090
Cash and Cash Equivalents, End of Year (including restricted cash of $72,085)	**$ 2,310,296**
ADJUSTMENTS TO RECONCILE NET OPERATING LOSS TO CASH FLOWS FROM OPERATING ACTIVITIES	
Operating loss	$ (9,532,429)
Adjustments to reconcile operating loss:	
Depreciation and amortization	13,574,064
Effects of changes in non-cash operating assets and liabilities:	
Accounts receivables	220,688
Due from primary government	(214)
Accounts payable	(2,386,212)
Prepaid expenses	34,548
Net Cash From Operating Activities	**$ 1,910,445**

The accompanying notes are an integral part of this financial statement.

1. NATURE OF OPERATIONS

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

During 2009 General Assembly session, the General Assembly move the Authority from the Financial Institutions Article to the newly created Economic Development Article, Sections 10-601 to 10-658.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Authority is a component unit of the State of Maryland. The Authority is governed by a Board, six members of which are appointed by the Governor of the State of Maryland and one member being appointed by the Mayor of Baltimore City with the consent of the Maryland State Senate.

Measurement Focus and Basis of Accounting

The accompanying financial statements of the Authority are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Authority has the option under Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting,* to elect to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The Authority has elected to not apply FASB pronouncements issued after November 30, 1989.

Measurement Focus and Basis of Accounting (continued)

In December 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 62 (GASB 62) *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* which intended to enhance the usefulness of the Codification of Governmental Accounting and Financial Reporting Standards by incorporating guidance that previously could only be found in certain FASB and AICPA pronouncements. The requirements of the GASB 62 are effective for financial statements for periods beginning after December 15, 2011. Earlier application is encouraged. The Authority has evaluated the impact of the GASB 62 and did not expect a material impact on the financial statements.

The Authority distinguishes operating revenue and expenses from non operating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with the Authority's principal ongoing operations. Revenue and expenses not meeting this definition are reported as non operating revenue and expenses.

Cash Equivalents

The Authority considers all cash on deposit with the Treasury or financial institutions to be cash equivalents as well as all highly liquid investments with original maturities of three months or less.

Investments

Investments are stated at fair value. Shares of money market mutual funds are valued at quoted market prices, which represent the net value of shares held by the Authority as of year-end.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets

Furniture and equipment are stated at cost and depreciated using the straight-line method over three to ten years. The capitalization threshold for all capital assets is $1,000.

Intangible assets are capitalized at cost and amortized using the straight-line basis over life of the related contracts.

Capital Leases Receivable

Under the terms of the Master Lease, principal and interest payments on the Authority's Lease Revenue Bonds 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.

Deferred Financing Costs

Financing costs associated with the issuance of bonds and notes are deferred and amortized over the life of the debt using the effective interest method. Amortization expense was $455,462 for the year ended June 30, 2011, and is recorded in interest expense in the accompanying financial statements. Accumulated amortization was $4,837,854 as of June 30, 2011.

Project Advances

The Authority is overseeing projects for various state universities and local jurisdictions. Advances are received to pay for expenses incurred or to be incurred. Unexpended advances are not the property of the Authority and are recorded as liabilities. There were no advances outstanding as of June 30, 2011.

Use of Restricted Assets

When an expense is incurred, the Authority first applies resources available from the applicable restricted assets before applying resources from unrestricted assets. The Authority's assets are restricted in accordance with Sections 13-715, 13-716, 13-717, 13-717.1, and 13-717.2 of the Financial Institutions Article of the Annotated Code of Maryland.

3. DEPOSITS AND INVESTMENTS

As of June 30, 2011, the Authority had cash on deposit in an internal pooled cash account with the Maryland State Treasurer (the Treasurer). The Treasurer maintains these and other Maryland State agency funds on a pooled basis in accordance with the Annotated Code of the State of Maryland. The State Treasurer's Office invests pooled cash balances daily. The investment consists of direct purchases of securities or repurchase agreements.

The carrying value of other deposits as of June 30, 2011, and the associated bank balances were $808,212, which are covered by Federal depository insurance.

The Authority has $72,085 held in an account with the Bank of New York. These restricted funds are required to be available if needed under the 1998 and 1999 remarketing agreements.

As of June 30, 2011, the Authority has $610,304 of unspent master equipment and energy performance lease financings held with the State Treasurer restricted for the purchase of equipment. These funds are invested by the State Treasurer.

As of June 30, 2011, the Authority had a balance of $6,407,288 in funds held by trustees for various bond series. The Bank of New York holds $1,906,154 and M&T Bank holds $4,501,135. As of June 30, 2011, these balances were invested in various money market mutual fund accounts which mature in less than a year. The money market funds used by M&T Bank and the Bank of New York are rated AAA by Moody's and AAA by S&P.

3. DEPOSITS AND INVESTMENTS (continued)

As of June 30, 2011, M & T Bank had the following investments and maturities:

		Investment Maturities (in Years)				
Investment Type	Value	Less than 1	1-5	6-10	11-15	More than 15
Money Market	$4,501,135	$4,501,135	-	-	-	-

As of June 30, 2011, the Bank of New York held the following investments and maturities:

		Investment Maturities (in Years)				
Investment Type	Value	Less than 1	1-5	6-10	11-15	More than 15
Money Market	$1,906,154	$1,906,154	-	-	-	-

The Authority is restricted by the trust indenture for each bond issuance as to the type of investments that can be utilized. All transactions must be completed by the State of Maryland Treasurer's Office.

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The Authority has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changes in interest rates.

Custodial credit risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the Authority, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the Authority's name.

None of the Authority's restricted investments are exposed to custodial credit risk.

Credit risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Foreign currency risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment.

The Authority is not exposed to any material amount of foreign currency risk.

Concentration of credit risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Authority's investment in the securities of a single issuer.

4. ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2011, consisted of the following:

Baltimore Orioles	$ 4,429,230
City of Baltimore	508,000
Baltimore Ravens	2,558,648
Baltimore Racing Development	2,699,663
Others	785,564
Subtotal	10,981,105
Less: allowance for bad debts	54,658
Total	**$ 10,926,447**

5. NOTE RECEIVABLE

Under the Orioles' lease, the Orioles shall reimburse the Authority for amounts advanced to equip, furnish and renovate private suites in Oriole Park at Camden Yards. Private suite construction costs are repayable over a 30-year period and furnishing and renovation costs over a five-year period with interest at 6.5%, which will be adjusted on April 1, 2012, to the prime rate of interest plus 1.75%. Interest income for the year ended June 30, 2011, was $326,492.

Future note receivable payments to be received as of June 30, 2011, were as follows:

For the Years Ending June 30,	
2012	$ 449,568
2013	449,568
2014	449,568
2015	449,568
2016	391,006
2017-2021	1,861,760
2022-2023	440,033
Total	**$ 4,491,071**

6. CAPITAL LEASES RECEIVABLE

As of June 30, 2011, the capital leases receivable consisted of the following:

Total minimum lease payments to be received	$ 303,207,707
Less: unearned interest income ranging from 2% to 6.25%	83,937,707
Principal balance on outstanding debt	219,270,000
Less: liquid assets to be used in construction	5,456,170
Total	**$ 213,813,830**

6. CAPITAL LEASES RECEIVABLE (continued)

Future minimum lease payments to be received as of June 30, 2011, were as follows:

For the Years Ending June 30,	
2012	$ 31,745,438
2013	31,758,343
2014	31,850,375
2015	30,615,239
2016	25,651,659
2017-2021	108,776,733
2022-2026	42,809,920
Total	**$ 303,207,707**

Capital leases receivable activity for the year ended June 30, 2011, was as follows:

	Beginning Balance	Principal Reductions	Ending Balance
CAPITAL LEASES RECEIVABLE			
Camden Yards	$ 166,384,596	$ 8,130,521	$ 158,254,075
Baltimore City Conv Ctr	21,322,587	3,802,037	17,520,550
Ocean City Conv Ctr	7,605,000	1,053,776	6,551,224
Montgomery County	17,970,000	970,000	17,000,000
Hippodrome	15,345,672	857,691	14,487,981
Capital Leases Receivable	**$ 228,627,855**	**$ 14,814,025**	**$ 213,813,830**

7. CAPITAL ASSETS

Furniture and equipment and intangible assets activity for the year ended June 30, 2011, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
CAPITAL ASSETS:				
Furniture and equipment	$ 20,252,517	$ 604,606	$ -	$ 20,857,123
Less: accumulated depreciation	9,343,202	2,113,021	-	11,456,223
Capital Assets, Net	**$ 10,909,315**	**$ (1,508,415)**	**$ -**	**$ 9,400,900**
INTANGIBLE ASSETS:				
Facility rights	$ 278,101,630	$ 8,544,386	$ 2,469,479	$ 284,176,537
Less: accumulated depreciation	130,191,000	11,458,248	-	141,649,248
Intangible Assets, Net	**$ 147,910,630**	**$ (2,913,862)**	**$ 2,469,479**	**$ 142,527,289**

The facility rights relate to the Authority's rights in various facilities that the Authority constructed or renovated. These rights are intangibles and are being amortized over the terms of agreements with the respective facilities.

8. BONDS PAYABLE AND CAPITAL LEASES

Bonds payable and capital leases as of June 30, 2011, consisted of the following:

LEASE REVENUE BONDS PAYABLE:	
1998 Series A: Issued $16,300,000 in December 1998 at a variable rate, due in varying installments through December 15, 2019	$ 12,005,000
1999 Series: Issued $121,380,000 in December 1999 at a variable rate, due in varying installments through December 15, 2019	76,805,000
2002 Series: Issued $10,250,000 in July 2002 at 3.0% to 5.7% per annum, due in varying installments through September 15, 2013	3,505,000
2002 Series: Issued $20,250,000 in July 2002 at 5.0% to 6.25% per annum, due in varying installments through June 15, 2022	14,575,000
2003 Series: Issued $23,185,000 in January 2003 at 2.0% to 5.0% per annum, due in varying installments through June 15, 2024	17,000,000
2004 Series: Issued $8,730,000 in February 2004 at 3.0% to 5.21% per annum, due in varying installations through December 15, 2024	7,575,000
2006 Series: Issued $31,600,000 in December 2006 at a variable rate; due in varying installments through December 15, 2014	17,585,000
2007 Series: Issued $73,500,000 in February 2007 at a variable rate; due in varying installments through March 1, 2026	63,590,000
2011 Series: Issued $6,630,000 in March 2011 at 2.25% per annum, due in varying installments through December 15, 2015	6,630,000
Lease revenue bonds payable	**219,270,000**
REVENUE BONDS PAYABLE:	
2010 Series: Issued $10,000,000 in April 2011 at 2.90% annum, due in varying installments through December 15, 2013	10,000,000
CAPITAL LEASES:	
2007 Master equipment lease financing in December 2007 at 5.6% rate, due in varying installments through January 1, 2018	2,637,581
2010 Master equipment lease financing in April 2011 at 5.35% rate, due in varying installments through January 1, 2020	3,835,717
2010 Master energy performance contract lease-purchase agreement in January 2011 at 4.09% rate, due in varying installments through July 1, 2022	2,395,763
2010 Master energy performance contract lease-purchase agreement in January 2011 at 6.11% rate, due in varying installments through July 1, 2022	5,856,824
Subtotal	243,995,885
Supplemental Improvements Fund Loan, 0%, due in varying installments through August 2012	250,000
Subtotal lease revenue bond, revenue bonds payable and capital leases	$ 244,245,885
Plus unamortized premium (includes unamortized premiums related to both series of 2002, 2003 and the 2004 revenue bonds payable of $2,813, $52,645, $1,234, and $78, respectively, as of June 30, 2011)	56,770
Less unamortized discount (includes unamortized discount relating to the 1995 and 1996 revenue bonds payable of $9,999 and $62,488, respectively, as of June 30, 2011)	(72,487)
Net Bonds Payable and Capital Leases	**$ 244,230,168**

8. BONDS PAYABLE AND CAPITAL LEASES (continued)

On December 15, 1998, the Authority issued the taxable Sports Facilities Lease Revenue Refunding Bonds, Series 1998 A and B, to retire, together with certain other funds, the Authority's Sports Facilities Lease Revenue Notes, Series 1989 C, and to pay related financing and issuance costs. Principal and interest on the Series 1998 A and B Bonds are payable primarily from the basic rent to be paid by the State under the Master Lease. The interest rates for the Series 1998 A and B Bonds are based on the 30-day USD LIBOR, which is reset weekly.

On December 9, 1999, the Authority issued the tax-exempt Sports Facilities Lease Revenue Refunding Bonds, Series 1999, to retire, together with certain other funds, the Series 1989 D Bonds. The Series 1989 D Bonds were used to finance the construction of Oriole Park at Camden Yards and in part to refinance the costs of acquiring and preparing the property at the site. The interest rate for the Series 1989 D Bonds is based on the 30-day USD LIBOR, which is reset weekly.

On July 10, 2002, the Authority issued taxable Sports Facilities Lease Revenue Bonds, Series 2002, to retire, the 2001 Bond Anticipation Notes. 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 3.0% to 5.7% per annum. The bonds mature serially in varying amounts through September 15, 2013.

On July 10, 2002, the Authority issued taxable Hippodrome Performing Arts Center Taxable Revenue Bonds, Series 2002, to finance, together with certain other funds, renovation of the Hippodrome Performing Arts 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 5.0% to 6.25% per annum. The bonds require a sinking fund redemption beginning June 15, 2014.

On January 14, 2003, the Authority issued tax-exempt Montgomery County Conference Center Lease Revenue Bonds, Series 2003, to finance, together with certain other funds, construction of the Montgomery County Conference 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 2.0% to 5.0% per annum. The bonds mature serially in varying amounts through June 15, 2024.

On March 2, 2004, the Authority issued taxable Camden Station Lease Revenue Bonds, Series 2004, to renovate Camden Station located at Camden Yards. Principal and interest are payable primarily from the basic rent to be paid by the State of Maryland under the Master Lease Agreement. Interest is payable semiannually at rates varying from 3.0% to 5.21% per annum. The bonds mature in varying amounts through December 15, 2024.

On December 9, 2006, the Authority issued the Tax Exempt Baltimore Convention Center Lease Revenue Refunding Bonds, Series 2006, to retire the Series 1994 Bonds. The Series 1994 Bonds, (along with other sources) were used to finance the construction of the expansion of the Baltimore Convention Center. The interest rate for the Series 2006 Bonds is calculated weekly by its remarketing agent using the 30 Day USD LIBOR.

On February 1, 2007, the Authority issued the Tax-Exempt Sports Facilities Lease Revenue Refunding Bonds Football Stadium Issue, Series 2007, to retire the Series 1996 Bonds. The Series 1996 Bonds were used to finance the construction of the football stadium at the Camden Yards Complex. The interest rate for the Series 2007 Bonds is calculated weekly by the remarketing agent using the 30 Day USD LIBOR.

In December 2007, the Authority received Board of Public Work's approval to borrow $3.5 million from the State of Maryland Master Equipment Lease Financing Program. Principal and interest are payable from excess revenue generated at the Camden Yards Complex. Interest is payable semiannually at the rate of 5.6% per annum. This financing is set to mature on January 1, 2018.

As part of the Settlement Agreement between the Authority and the Baltimore Orioles Limited Partnership dated September 2007, the Authority was allowed to borrow $250,000 from the Supplemental Improvements Fund with the consent of the Baltimore Orioles Limited Partnership. The Authority must repay the loan within three years of the borrowing at 0% interest. The full amount borrowed will be paid back by August 2012.

In November 2009, the Authority entered into a contract with Pepco Energy Services to provide energy upgrades and enhancements to Oriole Park at Camden Yards and the warehouse. The energy upgrades and enhancements will cost approximately $6.0 million. The Authority is financing the costs under the State's Energy Performance Contract Lease-Purchase Agreement over 12 years. Interest is payable semiannually at the rate of 6.11% per annum. This financing is set to mature on July 1, 2022.

8. BONDS PAYABLE AND CAPITAL LEASES (continued)

In November 2009, the Authority entered into a contract with Pepco Energy Services to provide energy upgrades and enhancements to M&T Bank Stadium. The energy upgrades and enhancements will cost approximately $2.4 million. The Authority is financing costs under the State's Energy Performance Contract Lease-Purchase Agreement over 12 years. Interest is payable semiannually at the rate of 4.09% per annum. This financing is set to mature on July 1, 2022.

The Authority and the Baltimore Ravens agreed to purchase and install $9.6 million of new audio and video equipment funded by $5.6 million from the Baltimore Ravens and $4.0 million from the Authority. The Authority's share was financed under the State's Master Equipment Lease-Purchase Program in April 2011 and amortized over 10 years. Interest is payable semiannually at the rate of 5.35% per annum. This financing is set to mature on January 1, 2020.

On April 15, 2010, the Authority issued Sports Facilities Taxable Revenue Bonds, Series 2010, to renovate Oriole Park located at Camden Yards. Principal and interest are payable primarily from lottery proceeds received by the Authority. Interest is payable semiannually at a rate of 2.9% per annum. The bonds mature December 15, 2013.

On March 16, 2011, the Authority issued the Ocean City Convention Center Expansion Lease Revenue Refunding Bond, Series 2011 in the amount of $6.6 million. Proceeds were used to refund the outstanding balance of the Series 1995, $6.5 million, along with $125,000 for closing costs. Interest is payable semiannually at the rate of 2.25% per annum. The bond matures December 15, 2015.

Debt service requirements subsequent to June 30, 2011, were as follows:

For the Years Ending June 30,	Principal Maturities	Interest	Total
2012	$ 20,762,858	$ 14,242,164	$ 35,005,022
2013	21,826,778	12,932,984	34,759,762
2014	30,874,167	11,547,023	42,421,190
2015	22,470,217	10,115,901	32,586,118
2016	18,865,127	8,757,410	27,622,537
2017-2021	91,215,321	25,527,295	116,742,616
2022-2026	38,231,417	6,048,001	44,279,418
Total	**$ 244,245,885**	**$ 89,170,778**	**$ 333,416,663**

9. NONCURRENT LIABILITIES

Noncurrent liability activity for the year ended June 30, 2011, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Compensated absences	$ 712,454	$ 166,660	$ 7,441	$ 871,673	$ 10,000
Workers' compensation	223,747	38,899	62,610	200,036	31,006
Revenue bonds and capital lease payable, net	262,174,973	6,630,000	24,574,805	244,230,168	20,512,858
Deferred revenue	1,234,498	705,086	176,357	1,763,227	317,374
Interest rate swap liability	47,254,556	-	5,663,102	41,591,454	-
Total	**$ 311,600,228**	**$ 7,540,645**	**$30,484,315**	**$288,656,558**	**$ 20,871,238**

10. DEFERRED REVENUE

The Authority received an advance payment for its portion of a chiller and generator plant from the Baltimore Ravens that would be included in its future operating. The Authority will receive a 12% return from the Baltimore Racing Development, LLC to reimburse the Authority for improvements done at the Camden Yards Complex. Revenue to be recognized in subsequent years as of June 30, 2011, will be as follows:

For the Years Ending June 30,	
2012	$ 317,374
2013	396,696
2014	343,815
2015	264,492
2016	264,493
2017	176,357
Total	**$ 1,763,227**

The advanced payment is recorded as deferred revenue as of June 30, 2011, and will be recognized as revenue during the following years.

11. INCOME FROM STATE AND MUNICIPAL SOURCES

Contributions from the primary government represents payments received from the State of Maryland under the Master Lease and other agreements to fund debt service, operating deficits, and certain development costs for various Authority projects.

During the year ended June 30, 2011, Baltimore City made an annual contribution of $1 million 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. The City also contributed $173,864 used for a feasibility study of the Mitchell Courthouse.

12. VALUATION OF INTEREST RATE SWAP AGREEMENT

Objective of the Interest Rate Swaps. The Authority entered into four interest rate swaps for the purpose of hedging or fixing its interest expense associated with the Authority's Series 1998, 1999, 2006 and 2007 bond issuances.

The Authority received $15,522,129 and $3,313,500 on April 1, 1996, and June 10, 1998, respectively, pursuant to the above swap agreements as premiums on the swap agreements. The swap premiums were used toward the cost of constructing the football stadium. In addition, semiannual liquidity fees were required for the October 1, 1993, Swap Agreement under the liquidity guarantee agreement through the issue date of the new variable rate debt.

The fees, which totaled $760,762, are included in deferred financing costs and are being amortized over the life of the new variable rate debt.

On December 9, 1999, the Authority issued, in accordance with the October 1, 1993 Swap Agreement, tax-exempt variable rate bonds, Series 1999, to retire the $121,380,000 of outstanding Series 1989 D Bonds. This refunding resulted in an excess of the reacquisition price over the net carrying amount of the old debt of $3,467,367. This difference, which is reported as a deduction from lease revenue bonds payable, is being amortized to interest expense through the year 2019, the life of the new bonds. The Authority completed the refunding to reduce its debt service payments by $1,727,891 and to obtain an economic gain of $10,323,329.

12. VALUATION OF INTEREST RATE SWAP AGREEMENT (continued)

Terms. The notional amounts of the swaps match the principal amounts of the associated bond issues. The Authority's swap agreements contain scheduled reductions to the outstanding notional amounts that match scheduled principal reduction in the associated debt. The terms, including the fair values and credit ratings on the swap counter parties as of June 30, 2011, are as follows:

Associated Bond Issue	Notional Amount	Effective Date	Fixed Rate Paid	Variable Rate Recieved	Fair Values	Swap Termination Date	Counter-party Rating
				USD-CP-H.15			
Series 1998	$ 12,005,000	12/15/98	7.510%	+ 0.10%	($3,085,879)	Dec. 2019	A-/A3
Series 1999	76,805,000	12/15/99	5.540%	Bond Rate*	(20,214,391)	Dec. 2019	A-/A3
Series 2006	17,455,000	12/05/08	5.83% to 5.88%**	SIFMA***	(1,826,501)	Dec. 2014	AA-/Aa3
Series 2007	63,330,000	12/05/08	5.69% to 5.80%**	SIFMA***	(16,464,683)	March 2026	AA-/Aa3
Total	**$ 169,595,000**				**($41,591,454)**		

* Rate paid on associated tax-exempt variable rate bond issue

** Calculated rate based upon the fixed payments established in the swap agreements divided by the notional amount outstanding at each fixed rate payment date.

*** When Barclays Bank PLC became the replacement swap provider, the variable rate that the Authority receives changed from the rate paid on the associated tax-exempt variable rate bond issue to a rate based on changes on the SIFMA index.

The table below sets forth a summary of changes in fair value for the year ended June 30, 2011, and the fair value as of June 30, 2011.

	Change in Fair Value		Fair Value as of June 30, 2011	
	Classification	Fair Value	Classification	Amount
Fair value hedge				
Pay fixed interest rate swap	Change in fair market value of swaps	($ 5,663,102)	Swap valuation liability	$ 41,591,454

Fair Value. Because interest rates have declined from rates that were in effect on dates the swaps were entered into, all swaps have a negative fair value as of June 30, 2011. The fair values of the swaps were developed by an independent valuation consultant to the Authority that does not have a vested interest in the swaps, using a market accepted method similar to the zero coupon method example described in the GASB Statement No. 53 of calculating fair value. The methodology used consists of calculating the future net settlement payments required by the swap agreement, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero coupon bonds due on the date of each future net settlement date of the swap.

Credit Risk. As of June 30, 2011, the Authority was not exposed to credit risk because the swaps had a negative fair value. However, should interest rates change and the value of the swaps become positive, the Authority would be exposed to credit risk in the amount equal to the swaps' fair value. American International Group, Inc. which provides a guarantee to the counterparty for the 1999 Swap and the 1998 Swap was rated A- by Standard and Poor's and A3 by Moody's Investors Service as of June 30, 2011. Barclays Bank PLC, the counterparty to the Convention Center Swap and The Football Swap was rated AA- by Standard and Poor's and Aa3 by Moody's Investors Service as of June 30, 2011. To mitigate the potential for credit risk for the 1999 Swap and the 1998 Swap, if the guarantor's long-term unsecured unsubordinated debt ratings are suspended by either S&P or Moody's or the guarantor's ratings fall below AA- or Aa3 by S&P and Moody's, the fair value of the associated swap will be fully collateralized with cash or securities. Collateral would be posted with an independent third party custodian. In addition, if the Authority's ratings for debt secured by the master lease with the State of Maryland fall below BBB+ or Baa1 by S&P and Moody's or are suspended, the fair value of the swap will be fully collateralized by the Authority with cash or securities. Collateral would be posted with an independent third party custodian. The Authority was rated AA+ by Standard and Poor's and Aa2 by Moody's Investors Service as of June 30, 2011.

12. VALUATION OF INTEREST RATE SWAP AGREEMENT (continued)

Basis Risk. As of June 30, 2011, the 1999 Swap, the Convention Center Swap and the Football Swap do not expose the Authority to basis risk. The Authority is receiving a variable rate payment from the counterparty on the 1999 Swap equal to the variable rate it pays on the associated bonds. Under certain circumstances, the counterparty could pay an alternative floating rate to the Authority which would not be equal to the variable rate interest accrued on the Series 1999 Bonds, which would subject the Authority to basis risk. The Convention Center Swap and the Football Swap have not reached their respective payment start dates. The 1998 Swap does expose the Authority to basis risk. The Authority is receiving a variable rate payment from AIG-FP equal to USD-CP-H.15 + 0.10% reset weekly, and pays a floating rate on the Series 1998 Bonds, which is currently remarketed at a taxable rate mode that is reset weekly. If the rates on the index are below the floating rates on the Series 1998 Bonds, the Authority is liable for the difference.

Termination Risk. The swap agreements provide for certain events that could cause the counterparties or the Authority to terminate the swaps. The swaps may be terminated by the counterparties or the Authority if the other party fails to perform under the terms of the swap agreements. If the swaps are terminated, the Authority would no longer have synthetic fixed rate obligations. Also, if at the time of termination of one of its swaps, the swap has a negative fair value, the Authority would be liable to the counterparty for a payment equal to the swap's fair value.

Swap Payments and Associated Debt. As rates vary, variable-rate bonds interest payments and net swap payments will vary. Using rates as of June 30, 2011, for the debt service requirements of the Authority's outstanding variable rate bonds and using the forward rates as of the effective date for the Authority's forward starting swap, the net swap payments are as follows:

VARIABLE – RATE BONDS (1)(2)

For the Fiscal Years Ending June 30,	Principal	Interest	Interest Rate Swaps, Net	Total
2012	13,975,000	564,447	10,221,890	24,761,337
2013	14,930,000	517,632	9,343,740	24,791,372
2014	15,960,000	467,488	8,389,105	24,816,593
2015	17,030,000	413,808	7,362,619	24,806,427
2016	13,165,000	361,615	6,418,678	19,945,293
2017	14,135,000	310,900	5,516,019	19,961,919
2018	15,165,000	256,395	4,572,836	19,994,231
2019	16,290,000	197,825	3,544,327	20,032,152
2020	17,475,000	134,880	2,354,528	19,964,408
2021	4,595,000	95,580	1,674,833	6,365,413
2022	4,860,000	81,795	1,418,075	6,359,870
2023	5,140,000	67,215	1,145,613	6,352,828
2024	5,435,000	51,795	855,718	6,342,513
2025	5,750,000	35,490	549,080	6,334,570
2026	6,080,000	18,240	224,590	6,322,830
Total	$ 169,985,000	$ 3,575,105	$ 63,591,651	$ 237,151,756

(1) Includes principal, interest and net swap payments on the Convention Center Swap and Football Swap agreements and related bonds issued in fiscal year 2007.

(2) Using rates as of June 30, 2011, for debt service requirements of the Authority's outstanding tax-exempt and taxable variable rate bonds (4.03% and 5.36%) and using the forward rates (3.85% and 3.75%), as of the effective date, for the Authority's forward starting Convention Center Swap and Football Swap, respectively.

13. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to and illness of employees; and natural disasters. The Authority participates in the State's various self-insurance programs. The State is self-insured for general liability, property and casualty, workers' compensation, environmental and antitrust liabilities and certain employee health benefits.

The State allocates the cost of providing claims servicing and claim payments by charging a "premium" to the Authority based on a percentage of the Authority's estimated current year payroll or based on the average loss experienced by the Authority. This charge considers recent trends in actual claims experienced by the State as a whole and makes provisions for catastrophic losses.

There have been no significant reductions in insurance coverage from the prior year. Additionally, settlements have not exceeded insurance coverage for the past three fiscal years.

14. OPERATING LEASES

Lease Rental Income

The Authority has leased certain office space in the Camden Yards Warehouse to various tenants with terms ranging from 3 years to 20 years. The future minimum lease rentals to be received on non cancelable operating leases as of June 30, 2011, were as follows:

For the Years Ending June 30,	Amount
2012	$ 2,546,169
2013	2,494,706
2014	2,175,020
2015	1,973,151
2016	490,171
2017-2021	2,607,231
2022-2026	2,668,163
Total	**$ 14,954,611**

Lease rental income for the year ended June 30, 2011, was $3,952,115.

15. RETIREMENT PLANS

Maryland State Retirement and Pension System

The Authority contributes to the Retirement and Pension System of Maryland (the System), established by the State to provide pension benefits for State employees of various participating entities within the State. Although the System is an agent, multiple-employer public employee retirement system, the System does not perform a separate valuation for the Authority, and the Authority's only obligation to the System is its required annual contribution. The System prepares a separate Comprehensive Annual Financial Report, which can be obtained from the Retirement and Pension System of Maryland at the State Office Building, 120 East Baltimore Street, Baltimore, Maryland 21202.

Funding Policy

The Authority's required contribution is based upon a percentage of covered payroll based on the State's allocation of its annual cost. The entry age normal cost method is the actuarial cost method used. Both the Authority and covered employees are required by State statute to contribute to the System. The employees contribute from 2% to 5% of compensation, as defined, depending on the participant's plan. The Authority made its required contribution during fiscal years ended June 30, 2011 and 2010, of $593,577 and $501,155 respectively.

15. RETIREMENT PLANS (continued)

Other Post-Employment Benefits

Members of the State Retirement and Pension System of Maryland (the State System) and their dependents are provided postemployment health care benefits through the State Employee and Retiree Health and Welfare Benefits Program The Plan is a cost sharing defined benefit healthcare plan established by the State Personnel and Pensions Article, Section 2-501 through 2-516 of the Annotated Code of Maryland. The Plan is self-insured to provide medical, hospitalization, prescription drug and dental insurance benefits to eligible state employees, retirees, and their dependents. The State does not distinguish employees by employer/State agency. Instead, the State allocates the postemployment health care costs to all participating employers.

Financial information for the Plan is included in the State of Maryland Comprehensive Annual Financial Report, which can be obtained from the Comptroller of Maryland, Louis L. Goldstein Treasury Building, Annapolis, MD 21404.

A separate actuarial valuation is not performed by the Authority. The Authority's only obligation to the Plan is its required annual contribution. There was no required contribution for the year ended June 30, 2011.

Plan Description

The Authority's employees are members of the Plan. Members may enroll and participate in the health benefits options if the retiree ended State service with at least 10 years of creditable service within five years before the age at which a vested retirement allowance would begin or if the retiree ended State service with at least 16 years of creditable service.

Funding Policy

Beginning in fiscal year 2008, State law requires the State's Department of Budget and Management to transfer any subsidy received as a result of the federal Medicare Prescription Drug Improvement and Modernization Act of 2003 or similar subsidy to the OPEB Trust to prefund OPEB benefits. To further prefund benefits, during fiscal year 2008, the State transferred from the State Reserve Fund Dedicated Purpose Account. Additionally, the State is required by law to provide funding each year for the Plan for the State's share of the pay-as-you-go amount necessary to provide current benefits to active and retired employees and their dependents. Funds may also be separately appropriated in the State's budget for transfer to the OPEB Trust.

Based on current practice, the State subsidizes approximately 50% to 85% of covered medical, dental, prescription and hospitalization costs depending on the type of insurance plan. The State assesses a surcharge for postemployment health care benefits, which is based on health care insurance charges for current employees. Costs for post retirement benefits are for State of Maryland retirees.

Former Authority employees who are receiving retirement benefits may participate in the State's health care insurance plans. These plans, which provide insurance coverage for medical, dental and hospital costs, are funded currently by the payment of premiums to the carriers and, under State policy, are contributory. Substantially, all employees become eligible for these benefits when they retire with pension benefits.

16. LITIGATION

In the normal course of operations, certain claims have been brought against the Authority, which are in various stages of resolution. Management believes that the ultimate resolution of the claims will not have a material adverse effect on the Authority's financial position.

The Visionary

In his first legislative session as Governor of Maryland, William Donald Schaefer proposed building a stadium complex that would keep the Orioles in Baltimore, bring NFL football back, and revitalize his beloved hometown.

The first part of his dream was realized on this day in 1992, when he and MSA Chairman Herb Belgrad presided at the opening of Oriole Park at Camden Yards.

Today this sports complex is recognized internationally - not just for its top quality facilities, but for the role it played in the transformation of a blighted industrial area to major visitor attraction, and the adaptive reuse of a historic landmark into a vibrant gateway to Baltimore.

We offer our thanks to William Donald Schaefer on behalf of the citizens of Maryland who enjoy lifetime memories of their visits to Camden Yards.

The Best Gets Better

Maryland Stadium Authority
The Warehouse at Camden Yards

333 West Camden Street, Suite 500
Baltimore, Maryland 21201

Telephone: 410-333-1560
Fax: 401-333-1888
Toll Free: 1-877-MDSTADI (637-8234)
Email: msa@mdstad.com

Website: www.mdstad.com