Maryland Stadium Authority

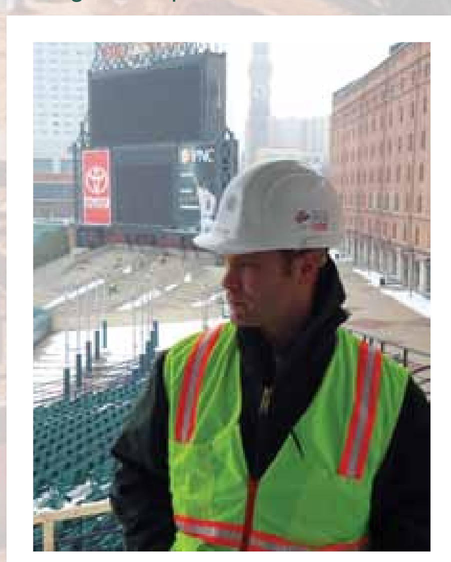
Annual Report 2010

THE BEST GETS BETTER

1990 — The stadium that set a new Major League standard for classic urban design takes shape.

2010 — Still recognized for its iconic appeal, the Camden Yards Complex continues to improve after 20 years.

Project Director Phil Hutson oversees seating bowl improvements.



Project Director Eric Johnson monitors parking lot improvements necessary for the Baltimore Grand Prix race course.

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.

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.

TABLE OF CONTENTS

On the Front Cover

Top row: University of Maryland's Marching Band muster at Oriole Park while Midshipmen enjoy their lunch with Babe

Middle row: Audio Visual Coordinator Vince Steier explains the Control Room at Oriole Park while Vola Linton of Facilities helps her granddaughter plant perennials

Bottom row: The Marching Ravens perform on the promenade as youth lacrosse players march to the NCAA Tournament.

CHAIRMAN'S LETTER

In 2010, the Maryland Stadium Authority implemented many of the objectives outlined at the beginning of the O'Malley-Brown Administration. We continued energy saving initiatives with the installation of more efficient appliances. We expanded recycling efforts throughout the complex, resulting in major strides towards a zero-landfill facility.

In 2010, we also reduced administrative expenditures while maintaining a high level of property management and services, meeting procurement goals, and completing our projects on time and on budget.

Camden Yards serves Marylanders 365 days a year. It is a historic landmark, major transit center, community park, and popular venue for staging events. Our proximity to major transportation routes and a revitalized downtown continues to expand use of our facilities.

In conjunction with the Office of Sports Marketing and stadium partners, we continue to promote the Camden Yards Complex for major events. These contribute significantly to the state and local economy while providing more entertainment opportunities for our citizens. In 2010, the Inaugural 2011 Baltimore Grand Prix was announced, with Camden Yards a key feature in the Labor Day race.

The safety of our visitors and complex continue to be paramount. In 2010 we began implementing recommendations of the safety and security strategic plan recommended by Hillard-Heintz.

The properties in our stewardship, the Warehouse and Camden Station, are at 91% occupancy, a remarkable feat considering the economy and the level of downtown vacancies. As a landlord, we improved efficiency and response time in operations with a new online reporting system for our tenants.

As one of the most visited state facilities, we are mindful of our responsibility to set an example for best practices in resource conservation and environmental sensitivity. In 2010 we incorporated perennials and native species in our landscaping. These are more sustainable and cost effective, requiring less irrigation and maintenance, and providing greater protection to our fragile watershed. Following city and state mandates to increase the urban canopy, MSA planted dozens of new trees throughout the complex.

The Maryland Stadium Authority is proud of our performance in 2010. With fewer resources and a tighter budget, we have continued to complete our assignments on time, on budget, and to the highest standards.

Sincerely,

John Morton, III, *Chairman*

Photo of John Morton, III by Nicholas Griner.

A Year At The Yards

WINTER

Camden Yards, with its historic setting, adaptable facilities, and ample parking, hosts a variety of events throughout the year.

These activities generate tax revenues and create employment opportunities.

With its access to public transportation and interstate highways, Camden Yards is convenient, safe and within easy walking distance of many of the city's other attractions.

Camden Yards is also an important community partner with the City of Baltimore and nearby residents when the facilities are needed.

2010 began the way 2009 ended — with tons of snow. During February's twin blizzards, MSA provided a massive staging center for out-of-state snow removal vehicles.

Some stadium lots were cleared for neighboring residents to park, while others provided a place to dump snow from city streets.

NCAA LACROSSE

Lingering snow couldn't deter fans from the Konica Minolta Face-Off Classic in March. Despite chilly weather, more than 17,000 attended the triple-header.

The Smartlink "Day of Rivals" featured Army-Navy and Maryland-Johns Hopkins. It drew more than 20,000 spectators in April.

The 2010 NCAA Men's Championship Lacrosse Tournament was held over Memorial Day Weekend at M&T Bank Stadium. Many activities took place around the complex, including individual skill competitions.

SPRING

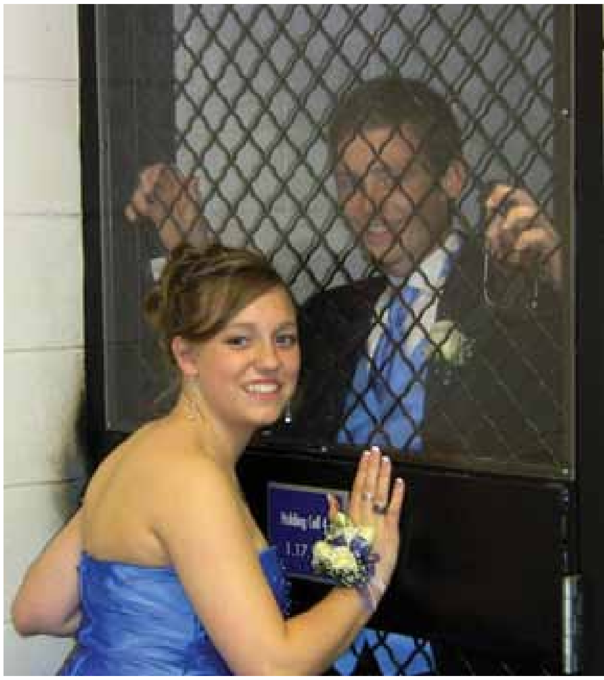
Sports Legends was the perfect site to host a reception for the 2010 US Winter Olympic team prior to their Rose Garden ceremony in Washington. Here, members of the women's figure skating team admire Dorothy Hamill's accomplishments.

Members of the 2010 USA Winter Olympic team relive game highlights, shown at the Sports Legends reception.

Every year, Camden Yards provides the setting for fund raisers and other community-oriented events. In April, the Juvenile Diabetes Research Foundation held their annual walk at the complex.

Unlikely as it may seem, M&T Bank Stadium is a popular prom venue. In 2010, nineteen proms were staged here — with as many as three a night!

The Club Level offers a beautiful view of the field.



The lockup in Security provides a memorable setting for a prom portrait.

SUMMER

First Lady Michelle Obama visited Oriole Park to unveil her "Let's Move" initiative, a partnership between the White House, Major League Baseball, and the Players Association, to fight childhood obesity.

Oriole Park also serves the inner city youth of Baltimore. The Orioles are an active participant in RBI, a program which encourages young adults ages 13-18 to stay in school, develop self-esteem, and enjoy the pleasures of big league baseball.

The largest cultural heritage event on the East Coast, the African American Heritage Festival is also one of the most festive for youngsters of all ages.

Maryland Public Television filmed an educational short at Oriole Park about an adventurous hamster. "Where in the World is Hooper" teaches children about famous landmarks in Maryland.

International soccer at M&T Bank Stadium gave fans another look at spectacular European play and also provided a promotion venue for the US World Cup bid.

International soccer play requires a natural turf. Rolls of sod were trucked in and patched together for a seamless pitch over the new artificial surface at M&T Bank Stadium.

The Ravens held their first open training camp practice in August for more than 17,000 fans, who got their first look at the new field and video system. Bart Shifler of stadium operations explains the improvements to MSA board member Leonard Attman.

The new million dollar surface at M&T gleams in the August sun.

Eutaw Street is a popular venue for large parties and receptions. From weddings to Brigade barbeques, the corridor between the Warehouse and ballpark creates a unique setting for events.

LABOR DAY, 2010
MARYLAND VS. NAVY

The Brigade of Midshipmen march on to the field. Rival fans from Maryland have already assembled in the stands.

The Labor Day game was the first meeting of the teams since the 2005 season opener, also at M&T Bank Stadium.

The University of Maryland was triumphant, winning the Crab Bowl 17-14.

FALL

The Under Armour Baltimore Running Festival continues to grow. The 10th annual event on October 16th drew a record 22,438 runners and 63,000 visitors to Baltimore. It generated a record $28 million to the city and state's economy, according to a study by RESI of Towson University.

Governor O'Malley and Mayor Rawlings-Blake preside at the start.

In addition to NFL and college rivalries played at M&T Bank Stadium, two traditional high school match-ups take place every November - City-Poly and Loyola-Calvert Hall.

These supporters of the Calvert Hall Cardinals are elated with their victory in the Turkey Bowl.

Lieutenant Governor Anthony Brown welcomes newly elected members of the Maryland General Assembly to Camden Yards. Their tour of the state began with a visit to M&T Bank Stadium.

Later, Speaker Michael Busch took them on to the field for a team picture.

VISITOR ATTRACTION

Nolan Rogers of MSA gives one of his popular tours of the ballpark.

The Gwynns Falls Trail map erected at the south entrance to the complex in 2010 provides guidance to trail users and out of town visitors. Perennials, grasses, and trees planted around the gateway make the area more inviting while helping control stormwater.

Camden Yards is one of the stops along the 680-mile, federally designated Washington-Rochambeau Revolutionary Route. This marker commemorating the French encampment, prior to the Battle of Yorktown, was erected in 2010.

COMMUNITY PARTNER

Major General J. Michael Bednarek, (center) Command General 1st Army East at Fort Meade, conducts Physical Training with his troops at dawn in M & T Bank Stadium.

Lot C provided the staging area for these participants in an Armed Services recruitment event at the Convention Center.

The Maryland Department of Environment sponsored the Great Maryland Lawn Mower Exchange of 2010 at Camden Yards. Hundreds of Marylanders turned in their gas-hogging clunkers for a new environmentally-friendly battery operated model during this day long event.

The Warehouse was the site of the annual 2010 Minority Small Business Fair, sponsored by Maryland Stadium Authority. This outreach effort educates minority and women-owned businesses about the procurement process and opportunities presented by State and City agencies.

Maryland First Lady Katie O'Malley joins in the fun at a Ravens tailgate party for the Boys and Girls Clubs.

TRANSIT CENTER

A transit center for more than 150 years, Camden Yards still features regular rail service. Thousands of commuters and visitors travel into Baltimore each day via light rail and MARC.

The historic B&O Warehouse serves as a backdrop for the introduction of modern railroad technology. CSX unveiled its new energy-saving, low-emissions $1.4 million GenSet diesel locomotive.

Light rail is also an important component of game day operations at Oriole Park and M&T Bank Stadium. It transports fans from the airport and suburban parking lots, significantly reducing traffic congestion.

Setting Standards / Environment

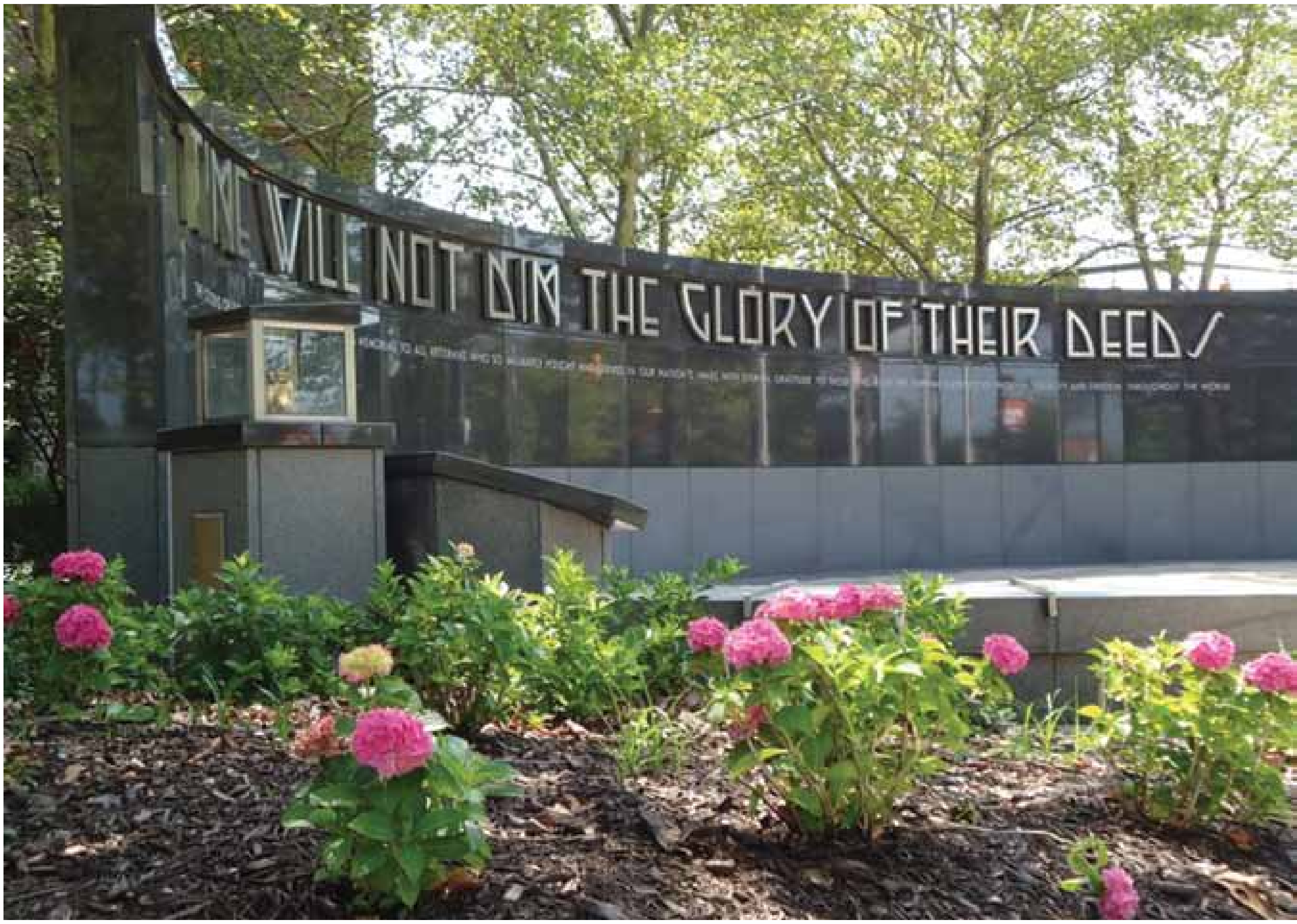
In 2010, Maryland Stadium Authority made significant progress in our efforts to implement more environmentally sensitive practices. Under Governor Martin O'Malley's 2007 "EmPOWER Maryland" initiative, State agencies will reduce energy consumption 15% by the year 2015

One of the largest and most visible State facilities, MSA is a model for Maryland's commitment to reduce energy consumption, recycle waste, and conserve natural resources.

Energy saving practices range from the installation of this mammoth cooler system...

...to replacement of light bulbs in MSA offices.

Setting Standards / Environment



In 2010, Maryland Stadium Authority partnered with the ARC of Maryland to implement the environmental landscaping plan for Oriole Park. Hundreds of trees, shrubs and perennials were planted in the beds and around the gateways to the complex.

Hydrangeas and hostas planted in 2010 surround the Veterans Memorial. Together with other low maintenance, shade loving perennials, they complement the sycamores and give a splash of color to the tranquil scene.

Setting Standards / Environment

Earth Day fell on "Take Your Child to Work Day," and the MSA kids got into the spirit by planting trees, shrubs and perennials on the complex. Their efforts were featured on WJZ-TV

MARYLAND
Smart, Green & Growing

Director of Security Management, Jim Slusser, was one of the MSA volunteers who spent a Saturday morning in the Sharp-Leadenhall neighborhood adjacent to Lot G. The Work Day was organized by CSX.

Setting Standards / Environment

As part of the lot improvements for Pit Row at Camden Yards, the Stadium Authority installed a 7000 gallon underground reservoir to collect rain from the Warehouse roof. This stormwater management device will be pumped for irrigation and power washing, significantly reducing potable water use.

90 TREES WILL BE PLANTED ON THE PERIMETER OF THE WAREHOUSE WHEN CONSTRUCTION IS COMPLETE.

Since 2008, MSA has partnered with Maryland Works, a statewide membership association that focuses on advocating and promoting employment and economic opportunities for individuals with disabilities.

They are the liaison with Chimes, the non-profit organization that educates and trains individuals with developmental disabilities, to perform janitorial services.

Chimes has been responsible for improved services and increased recycling throughout the complex.

RECYCLING

In 2010, Maryland Stadium Authority stepped up efforts for a comprehensive recycling plan for all campus facilities.

This policy, developed with guidance from Maryland Department of Environment, covers day to day recycling in addition to event operations. It will include all facilities at Camden Yards.

Oriole Park has consistently increased recycled tonnage over the past three years. In 2008, one ton of refuse was recycled for every 25,000 fans. In 2009, those numbers increased to one ton for every 22,000 fans, with 68 total tons recycled.

In 2010, the amount took a dramatic leap to one ton per 16,000 fans, with nearly 100 tons collected for the season. In 2009, the list of acceptable recyclables was expanded to include cans, bottles, cups, plastic tubs for cotton candy, and clean paperboard trays. These all contribute to the increased tonnage. In 2010, Oriole Park exceeded last year's recycling tonnage by 30%.

The new fan cans at Oriole Park were a big hit this year, contributing to a major increase in recycling on game days.

Recycling Comes From Three Major Sources:

Materials collected in the seating bowl after games, those generated by recycling containers, and those generated by concessionaires. In addition to the game day recycling, Maryland Stadium Authority recycles the following:

- *Pallets*
- *Fluorescent lights*
- *Cardboard boxes from shipments*
- *White paper from offices*
- *Newspaper, books and magazines*
- *Auto batteries*
- *Electronics*
- *Grease*

As with the discarded video and sound system replaced at Oriole Park in 2008 and 2009, MSA recycled components taken from M&T Bank Stadium in 2010. The responsible disposal of the obsolete electronics ensured their toxic elements would not contaminate the environment.

In 2010, Central Parking's "Green Team" mobilized at Lot G for the tailgate recycling pilot program on Ravens game days.

"Green Team" members distributed recycling bags to fans and they entered the lots, picked up bags in a roving golf cart, and manned a recycling dumpster.

BY SEASON'S END, THE "GREEN TEAM" PROGRAM YIELDED SIX TONS OF RECYCLABLES.

PROPERTY MANAGEMENT

Despite a record snow accumulation, work continued on the bowl restoration at Oriole Park in order to meet the 2010 Opening Day deadline.

When Oriole Park at Camden Yards opened in 1992, its traditional design and brick construction established an immediate connection to its historic setting.

In managing the complex, the Maryland Stadium Authority is responsible for protecting the state's investment by maintaining its ambiance and appeal.

The Maryland Stadium Authority is committed to maintaining the properties in our stewardship to the highest standards. That means ongoing service, frequent repairs, and continuous upgrades to keep our facilities the best of the best.

Despite budget constraints, MSA began the three-year, $35 million Capital Improvement Plan for Oriole Park in 2010.

In 2009, a torrential downpour created a flash flood in the seating bowl during an Orioles game. MSA reduced the likelihood of repeating this experience by installing a trench system prior to the 2010 season as part of the seating bowl restoration.

Executive Director Michael Frenz discusses the club level seating bowl improvements with Project Director Phil Hutson. The modifications will create party platforms in selected areas of the club level for the 2011 season.

PROPERTY MANAGEMENT

In partnership with the Baltimore Ravens, MSA replaced the original stadium video boards and sound system with state of the art equipment in 2010.

RavensVision

Each RavensVision screen measures 24 feet high and 100 feet wide, the equivalent of 600 37-inch flat screen TVs. Nearly 2.5 million individual LEDs are used, allowing the highest quality picture available.

Each screen is made up of modular panels. These panels were assembled into sections measuring 8 by 9 feet. Each section weighs 900 pounds, and there are 33 sections on each board.

A major energy savings came with installation of new high definition video boards. The old boards required four 24-ton air conditioning units in each end zone to keep them operational. The new system does not need climate control, greatly reducing electricity consumption on game day.

Vince Steier, MSA's audio visual technician, in the new control room at M&T Bank Stadium prior to a game. With him is Larry Rosen (left) Vice President of Broadcasting and Derek Seibert (right) Computer Graphics Operator, both of the Baltimore Ravens

Maryland Stadium Authority is the landlord for the entire Camden Yards complex, which includes the Warehouse, which is about 91% occupied with 161,000 square feet, Camden Station, fully leased with two museums at 38,606 square feet, and the parking lots, which have about 1,100 cars and a shuttle service on weekdays.

In 2010, Facilities Management worked with IT to develop "Get Facilities," a web based avenue that can be utilized by tenants and partners to request maintenance services.

This new 24/7 system has been embraced as an efficient and effective tool of communications for MSA property maintenance and operations. With the exception of emergencies, it is now standard operating procedure to make all maintenance and operational requests via this tool. This system keeps an accurate, easily accessed, record of requests and services.

For a small annual investment, "Get Facilities" provides a large return in operational efficiency.

Safety and Security

Among MSA's primary responsibilities is to ensure Camden Yards meets the highest standards for safety and security of the facilities and all who enjoy them.

MSA continuously works with local, state, and federal law enforcement agencies to train staff and practice safety and emergency response procedures.

The Hillard-Heintze Security assessment recommended that the major tenants at Camden Yards share and adopt common best practices. In 2010, MSA created the Camden Yards Emergency Management Task Force, comprised of leadership from the Orioles, Ravens and MSA.

On July 15th, 2010, MSA conducted the first multi agency Table Top Exercise that included all stadium partners, Baltimore City, Maryland Emergency Management, University of Maryland center for Homeland Security and the Federal Bureau of Investigation Joint Terrorism Task force.

The Camden Yards Emergency Management Task Force will continue to meet and develop plans and programs to enhance the total complex security.

Hillard-Heintze Assessment also recommended that a command center be established at Oriole Park for game day safety. MSA and the Orioles are currently planning a central operation station to include all key and essential agencies when events are taking place.

Good communication is key to any response. In this tabletop exercise, which included top officials of the Ravens, Orioles, Baltimore City, and the Stadium Authority, security consultants help determine preparedness for reacting to any threat or incident.

Safety and Security

MSA Director of Security Management, Jim Slusser, takes participants to the field to show how camera coverage helps identify potential incidents

The Ravens locker room was the site for this 2010 training session of the National Center for Spectator Sports Safety and Security.

Safety and Security

Lot G provides the course for Baltimore City motorcycle troops to be trained and tested on their driving skills.

This federal agent undergoes routine testing of his surveillance skills. MSA facilities frequently serve as training sites for local, state and federal law enforcement agencies.

Thanks to the enhanced surveillance cameras that operate continuously, we learned in 2010 that the Ravens are not the only birds of prey protecting this house.

Office of Sports Marketing

In 2008, Maryland Stadium Authority formed a partnership with the Department of Business and Economic Development to create an Office of Sports Marketing, led by Terry Hasseltine.

Its mission is to enhance the Maryland economy, image and quality of life through the attraction, promotion, retention and development of regional national and international sporting events.

Through the efforts of this office, the assets and appeal of Maryland as a destination are showcased to millions of visitors and viewers throughout the world.

IN ITS FIRST TWO YEARS, THE OFFICE OF SPORTS MARKETING HAS ENGAGED IN OVER $1 BILLION OF ECONOMIC RECRUITMENT ACTIVITY AND HAS HELPED SECURE OVER $350 MILLION OF THAT BUSINESS FOR MARYLAND.

The World Cup party at the Inner Harbor, organized by the Office of Sports Marketing, was a great success.

Office of Sports Marketing

Terry (right) with other members of TEAM Maryland in their exhibit at a 2010 Sports Travel conference.

2010 was also a landmark year in developing the statewide network that will evolve the Office of Sports Marketing from a government entity to a public-private partnership with the ability to forge corporate sponsorships and more effectively promote Maryland facilities. A 501(c) 3 was certified for Maryland Sports Council and TEAM Maryland launched.

TEAM Maryland consists of local jurisdictions that contribute to the marketing efforts and are represented individually on the website. TEAM Maryland is a statewide initiative designed to

A Top Revenue Performer for Maryland

Sports travel is a $182 billion dollar industry that continues to grow. A top ten business sector in the national economy, sports travel results in the use of more than 47 million hotel rooms annually.

Maryland, with its wealth of existing sports and recreation venues, has many additional assets to attract a far greater percentage of that market.

These include a compact geographic region—located in a central population area with a temperate climate—two major metropolitan media markets, and excellent access by road, rail, and air.

Maryland is "a tank of gas" state—from mountains to ocean; from New York to North Carolina. It is also a transportation hub for major carriers. Maryland is a four season state, with numerous activities and attractions year-round.

With these advantages (and aggressive pursuit) Maryland's marketing strategy to attract regional, national and international events to the state for sports and recreational activities has paid off exponentially.

Office of Sports Marketing

collectively market Maryland to the entire sports industry by creating a synergistic approach to the way we market ALL of Maryland as a sports destination.

Currently ten counties have joined the program through their Convention and Visitors Bureau (CVB) or Tourism Office,

- Annapolis & Anne Arundel County CVB
- Baltimore County Department of Economic Development
- CVB of Montgomery, MD
- Harford County Office of Tourism
- Howard County Tourism & Promotion
- Prince George's County CVB
- St. Mary's County Department of Economic Development
- Tourism Council of Frederick County
- Visit Baltimore
- Wicomico County CVB

Secondary partnerships (such as facilities and services) are available through each TEAM Maryland partner, so the network will continue to grow.

The Office of Sports Marketing began and ended its year on the stage of international soccer. In January, the USA Bid Committee selected 18 cities as potential venues for a future World Cup. The Office of Sports Marketing coordinated bids for M&T Bank Stadium and FedEx Field and both Maryland venues were among the 18.

Throughout the year, OSM continued to bolster support for the USA bid while the nation was gripped with World Cup fever, by promoting a large public watch party at the Inner Harbor to facilitating another successful international match at M&T Bank Stadium.

Although the USA was unsuccessful in its efforts to bring the tournaments here, Maryland benefitted greatly from the international exposure and relationships developed over the 18 month bid process.

In 2010, the Office of Sports Marketing successfully coordinated bids for a number of future events, including a regional youth soccer tournament in

Office of Sports Marketing

2013, the 2014 NCAA Men's Lacrosse Championship Tournament, 2014 Navy-Ohio State football game, 2013 USATF Masters Indoor Track Meet in Prince George's County and the 2012 USATF Junior Olympics Bid at Morgan State.

The Office of Sports Marketing website, with its daily update on events, facilities and social media, continues to gain followers and document the dynamic industry that is Maryland sports and recreation. In 2010, it averaged 141,000 hits a month.

A festive crew gathered for the FIFA World Cup announcement in December Although the United States was not selected, the Office of Sports Marketing was deeply involved in the successful efforts to have two Maryland stadiums and numerous practice facilities included in the United States bid.

In 2010, Sports Marketing greatly expanded its website content and functions to showcase more facilities and events. This interactive resource now includes:

Sports Facility Database *– information on more than 1,200 facilities and venues throughout the state. This information is organized by sport, name and location for easy referencing.*

Calendar of Events *– listing of sports related activities statewide, with a crawl listing events of immediate interest. Interactive feature allows information to be submitted via website.*

Media Room *– news articles and press releases about events and facilities around the state, updated daily.*

Social Media *– Tweety and Blogue, the Sports Marketeers, chronicle their tales of fun and adventure Maryland style with a real time account of what's happening around the state.*

"Here 2 Play," *the Office of Sports Marketing blog, posts regularly about facilities in every region, with links to websites and events.*

"Here 2 Play" receives over 100,000 hits a month

Coming in 2011 / Grand Prix

Mayor Stephanie Rawlings-Blake makes the official announcement about the Grand Prix race at a press event in the Convention Center in June.

On Labor Day Weekend, September 2-4, the Baltimore Grand Prix will be the centerpiece of a "Festival of Speed" taking place on a course between Camden Yards and the Inner Harbor.

Modifications to the original route will bring more of the action into the sports complex, as Pit Row will extend the entire length of the Warehouse. Sharp turns will take competitors up Lee Street and onto Russell Street. Much of the staging and many of the race day activities will take place on stadium lots, extending to Hamburg Street.

The event will include the Indy Car Race, an American Le Mans Series Race, and family-oriented activities like go-karts, car shows, and concerts. Because all IRL races are nationally televised, the aerial views of the sports complex, downtown, and Inner Harbor will promote Baltimore with spectacular footage of its many attractions.

Baltimore Racing Development, who moved their offices into the Warehouse in 2010, has been working with MSA officials, the Office of Sports Marketing, and City officials to make the inaugural Grand Prix a major attraction and financial success for all concerned.

Studies and Projects

SOCCER SPECIFIC STADIUMS IN BALTIMORE

In November 2009, the Stadium Authority Board voted to perform a feasibility study to consider two soccer specific stadiums in Baltimore at the request of Mayor Dixon. The $100,000 study, funded by the City of Baltimore, considered the market for a MLS soccer-specific stadium in Westport, a 50-acre transit oriented development south of M&T Bank Stadium, for the DC United franchise. The study also evaluated prospects for a medium-sized facility in the Camden Carroll Industrial Park southwest of M&T Bank Stadium.

The study, released in December 2010, determined a 25.000 seat major league soccer stadium in Westport could generate up to 940 new jobs and $2.8 million in city tax revenue when the entire mixed use complex was complete. The study also recommended that the smaller stadium would likely be more successful in a suburban location where youth fields could be built around it rather than in a downtown industrial park.

BALTIMORE CITY COURT HOUSE COMPLEX

In November, 2008, the City of Baltimore formally requested the Maryland Stadium Authority to conduct a feasibility study for the modernization and possible expansion of their circuit court complex. This study addresses programmatic and functional concerns in the historic Clarence Mitchell Courthouse and the nearby Post Office building which serves as an annex. Both were constructed early in the 20th century.

The study also includes conceptual design, programmatic analysis, cost and possible funding strategies.

- April 2009, MSA contracted AECOM Design to conduct a feasibility study for the potential renovation of the existing circuit court complex and the construction of a new circuit courthouse.
- Study includes: program development; analysis of the existing buildings, a site analysis for the proposed new court facility, and conceptual design.
- The study will be released in Spring 2011.
- Clients include both circuit courts and the City of Baltimore.

WICOMICO COUNTY YOUTH AND CIVIC CENTER

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

After review of the request by the legislative committees, the MSA board agreed to a Memorandum of Understanding with Wicomico County in December, and tasked Crossroads Consulting to perform the $70,000 preliminary study.

The market analysis will evaluate the existing facility, its uses, and whether it is economically feasible to renovate, expand, and/or build a new facility.

STATE CENTER REDEVELOPMENT

In 2009, the legislature requested Maryland Stadium Authority to serve on the Executive Committee overseeing this massive Transit Oriented Development on 28 acres in midtown Baltimore.

The project, linking existing light rail and Metro routes with government, commercial, and residential properties, is estimated to cost at least $1.4 billion and take nearly 15 years to complete all phases.

The development agreement was approved by the Board of Public Works in June, 2009. Ground and Operating lease agreements were approved in December, 2010.

The Maryland Stadium Authority will be the owner's representative for Phase 1 of the project. Other agencies involved in the development include Maryland Department of General Services, Department of Transportation, and Maryland Economic Development Corporation.

Project Executive:
Gary A. McGuigan

Project Director:
Eric Johnson

Developer:
Eutaw and Madison Redevelopment

Architect:
Design Collective/Mithun

OCEAN CITY CONVENTION CENTER EXPANSION

Maryland Stadium Authority's 2008 market study concluded that Ocean City could support a major convention center expansion. Original plans recommended 50,000 more square feet of exhibit space, performing arts center, and 1,500-space parking garage. Those plans came with a projected price tag of $60 million to $75 million. In deference to the current economic climate, the plans were scaled back to a 20,000 square foot, multi-purpose space overlooking the bay, estimated at $8.9 million, with incremental state tax revenues projected to be $1.1 to $1.6 million per year.

The Maryland General Assembly agreed to fund $4.3 million, and in August, the Ocean City Council approved plans for the expansion. Design work has been completed, with construction beginning in Summer 2011. Completion is estimated in Summer 2012.

Project Executive:
Gary A. McGuigan

Assistant Project Manager:
Tiara Robertson

Architect/Design:
Becker Morgan

Construction Manager:
Whiting Turner

BALTIMORE GRAND PRIX IMPROVEMENTS

The alterations and improvements associated with the Grand Prix Pit Lane construction along the East Warehouse of Camden Yards will bring aesthetic, safety, and environmental enhancements to the campus.

The gateway to the East Warehouse will be upgraded to include approximately seventy portable planters for flowers and trees along the length of the building. Mature trees in the pedestrian walkway from Conway Street will be planted along the trail between the Conway entrance and historic Camden Station,

creating an instant canopy cover. Pedestrian lighting will be added to the Conway entrance, improving the ambience and safety to the plaza between the transit center and complex.

Stormwater enhancements include an underground 7,000 gallon rainwater collection tank, connected to down spouts on the northeast end of the Warehouse. This supply will be pumped to various outlets along the Warehouse for irrigation and power washing, thus reducing the need for potable water and reducing the load on the stormwater management system.

In addition, a Filterra bio-retention system will filter stormwater runoff from the North Warehouse lot, improving the quality of discharge that might otherwise find its way to the nearby Middle Branch.

The entrance to Lot C along the MARC tracks will be widened with an additional lane. This is a safety requirement of the race, but will also increase the amount of curb parking available during events. An existing retaining wall will be extended and topped with wrought iron fencing reused from the Conway entrance and East Warehouse lots. Additional portions of the salvaged fence will be erected along the

Project Executive:
Gary A. McGuigan

Project Director:
Eric Johnson

Design/Construction Budget:
$2.1 million

Construction Manager:
J. Vinton Schaefer

Architect:
Beck, Powell & Parsons

Gwynns Falls Trail adjacent to Lot G, and used to repair other breaches in the fence throughout the complex.

South of the Warehouse, Lee Street will be widened, and two traffic calming circles will be incorporated into the East Warehouse lots to improve vehicle flow, queuing, and faster egress after events.

COPPIN STATE UNIVERSITY COMPLEX – ON TIME, UNDER BUDGET

Context Map

In 2010, MSA completed construction on the $134,000,000 Physical Education Complex at Coppin State University. The transformational project was approximately $3 million under budget, so the Stadium Authority was given permission to apply the balance to demolishing the existing Coppin Center, which was replaced by the new arena.

The project is currently in design, with an anticipated construction start in Spring 2011. Some of the amenities replacing the old arena site will include green space, lawn areas, landscaping, lighting, and parking. This revitalized area will be located adjacent to the newly renovated campus quad.

Coppin Center Demolition Project

Project Executive: Gary A. McGuigan

Project Director: Eric Johnson

Design/Construction Budget: $2.3 million

Construction Manager: TBD

Architect: Hord, Coplan, & Macht

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.

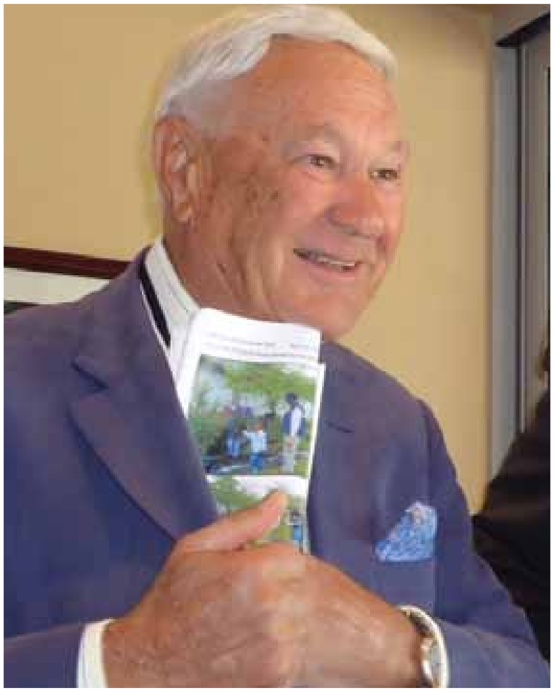
From 1996 to 2006, Mr. Morton served in various capacities with the Bank of America/NationsBank, including his role as President of the Mid-Atlantic Region from 1997 to 2001, and as President of Premier Bank from 2001 to 2005.

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 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.



Leonard J. Attman

Board Members

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.

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 is Senior Associate Dean for Finance and Administration of the Krieger School of Arts and Sciences at Johns Hopkins University. 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 serves as Secretary to the Board of Trustee's Finance Committee, represents the University on the Boards of several subsidiaries owned by the University and Johns Hopkins Health System and serves on several university-wide committees.

Prior to joining Johns Hopkins University, Mr. Puddester was Secretary of the Maryland Department of Budget and Management from 1996 to 2000. He has 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. Currently, Mr. Puddester serves as a member of the State's Interagency Committee on School Construction and as a public member on the Maryland General Assembly's Spending Affordability Committee.

Board Members

Victoria Rosellini

Victoria Rosellini was named as a member of the Maryland Stadium Authority for a four-year term beginning July 1, 2006. Ms. Rosellini has owned and operated five building and development projects. In addition, she is an entrepreneur and business executive with 24 years professional experience as a pioneer in the woman-owned ambulance transportation services industry. As founder, Chief Executive Officer and president of four ambulance transport companies, she has guided the operation of these firms through initial planning, capital funding and operation. The firms provide all types of patient services from routine appointments to critical care transport including helicopter and commercial flight assistance. Ms. Rosellini is affiliated with numerous health care, professional, governmental and community associations and has received multiple awards and honors in these areas. She currently is serving her 14th year as Commissioner and member on the Baltimore County Liquor Board. She also serves on the Baltimore City Police Department's Signal 13 Board and the Board of the Maryland Department of Business and Economic Development. Ms. Rosellini was the recipient of Ernst and Young's "Entrepreneur of the Year Award," selected as one of Baltimore's Top 100 Women, and was inducted into the Circle of Excellence.

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.

Board Members

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.

Richard Stewart

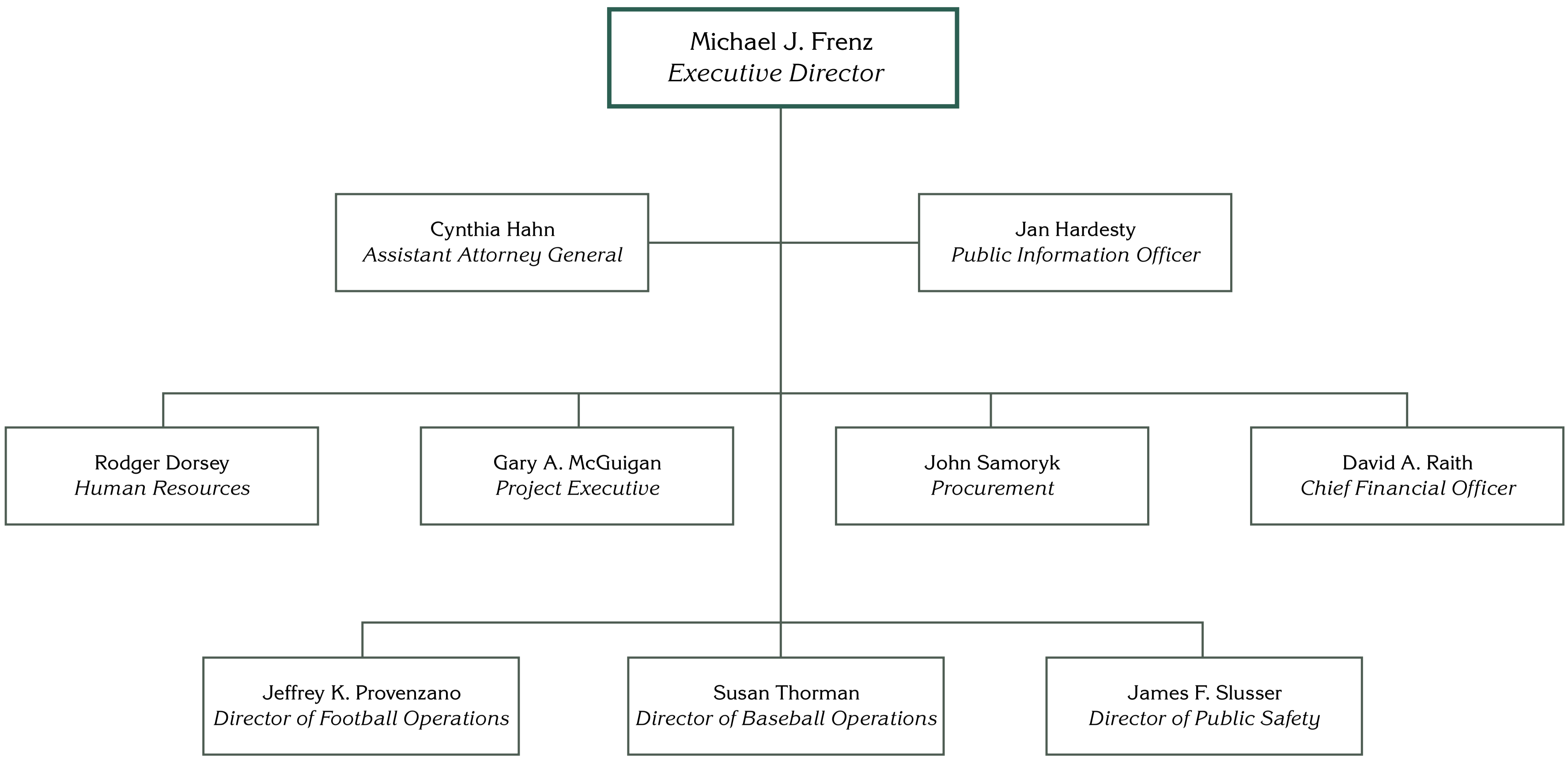
Richard Stewart was appointed a member of the Maryland Stadium Authority on July 1, 2007. Mr. Stewart, President and Chief Executive Officer of Montgomery Mechanical Services Incorporated (MMS), joined that organization in 1988. His vision and expertise in business performance resulted in increased profitability, elevated the standing of MMS in the construction industry, implemented many innovations and maximized the firm's emphasis on customer service.

A member of the Mechanical Contractors Association of America, Mr. Stewart also has held positions as a board member, director and past president of the Mechanical Contractors Association of Metropolitan Washington. In addition he has served as Vice Chair for the Revenue Authority of Prince George's County; a member of the Executive Committee for both the National Association of Minority Contractors and the Prince George's County Community Development Corporation.

Mr. Stewart has received numerous awards for his work in the construction industry including the State of Maryland's Governor's Citation Award; the American Minority Contractors and Business Association Inc.'s Business of the Year Award and the Maryland / Washington Minority Contractors Association Inc.'s. Memorial Award.

Richard and his wife, Chris, currently reside in Mitchellville, Maryland.

MARYLAND STADIUM AUTHORITY



1/21/2011

Seated L-R: *Dawn Abshire, Jeff Provenzano, Gary McGuigan, Michael Frenz, Pamela Miller*

Standing L-R, Front Row: *David Thaden, Mark Libby, Mary Buckingham, Jerone Evans, Matthew Kastel, Dalando Bryant, Carolyn Wright, Patricia Cornish, Darryl Matthews, James Archer, Sandra Fox, Nina Miller-Barys, Lisa Johnson, Diane Connelly, Theresa Masilek, Michael Muncy, Thomas Greene, Dana Moore, Willie Mason*

Standing L-R, Back Row: *William Schier, Robert Linsebigler, John Kroat, John Waters, James Bell, Delroy Gaither, Michael Andrejczuk, Al Ringham, David Donoghue, Christopher Parr, Jeremy Faw*

Photography by: *Phil Cohen*

INDEPENDENT AUDITOR'S REPORT

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, 2010, and the related statements 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, 2010, 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.

The Management's Discussion and Analysis as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

SB & Company, LLC
Certified Public Accountants
Hunt Valley, Maryland
November 12, 2010

MANAGEMENT'S DISCUSSION & 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 2010 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, 2010. 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, 2010 and 2009:

Statements of Net Assets

	As of June 30	
	2010	**2009**
Assets		
Current assets	$ 53,795,351	$ 39,403,695
Net capital assets	158,819,945	155,340,924
Noncurrent assets	218,123,269	238,703,084
Total assets	**430,738,565**	**433,447,703**
Liabilities		
Current liabilities	34,372,831	25,931,486
Noncurrent liabilities	293,300,132	279,750,181
Total liabilities	**327,672,963**	**305,681,667**
Net assets		
Invested in capital assets	110,181,526	139,588,022
Restricted for debt service	4,919,198	3,829,728
Restricted for capital assets	16,437,774	5,052,915
Unrestricted	(28,472,896)	(20,704,629)
Total net assets	**$ 103,065,602**	**$ 127,766,036**

During fiscal year 2010, total assets for the Authority decreased from the prior year by approximately $40.8 million dollars, due to: 1) unrestricted cash and cash equivalents decreased approximately $4.5 million as a result of a $2.0 million rent payment to the State of Maryland; a $1.0 million payment to the City of Baltimore for pilot taxes due for fiscal years 2007, 2008, 2009, 2010 and 2011, $1.5 million for capital projects done at Oriole Park at Camden Yards; 2) intangible assets decreased by $35.0 million due to implementation of GASB 51, which resulted in the Authority removing intangible assets; 3) an increase in marketable securities of approximately $12.5 million as a result of unspent financing proceeds from the Series 2010 Revenue Bonds, and the M&T Bank Stadium equipment financing, and energy performance projects at the Camden Yards Complex.

The increase in net accounts receivable of approximately $1.6 million is the result of the following: an increase due from the Baltimore Oriole rent of $0.9 million for unpaid advertising revenue; an increase of $0.5 million from the State of Maryland for admissions and amusements tax which is the result of the NCAA Lacrosse Finals and the international soccer game held at M&T Bank Stadium; an increase of $0.9 million related to payments due from the Baltimore Ravens for events profits, reimbursement for operation and maintenance costs for May and June 2010; a decrease of $0.4 million related to increased efforts in collections; and an increase in the allowance for doubtful accounts of $0.3 million. Deferred financing costs decreased approximately $0.3 million as a result of $0.1 million being capitalized from the issuance of the Series 2010 bonds and a decrease of $0.4 million for the 2010 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 payment made of $0.3 million. Finally, furniture and equipment increased by approximately $0.6 million because of additions of $2.7 million for the current year, offset by depreciation of $2.1 million.

Total liabilities for the fiscal year 2010 increased by approximately $22 million. Interest and accounts payable for fiscal year 2010 increased by approximately $4.7 million. The reasons for the increase are the interest payable accrued in fiscal year 2010 increased by $.6 million mainly related to new debt issued during fiscal year 2010 and an increase in trade payables of $4 million. Deferred revenue decreased by approximately $.2 million as a result of deferred revenue being recognized as income in fiscal year 2010. There was an increase in the equipment, financing, and lease revenue bonds of approximately $5.9 million as a result of the Authority borrowing $22.5 million for various projects at Camden Yards and paying $16.6 million toward the outstanding principal on the lease revenue bonds. Finally for fiscal year 2010, the derivative liability increased $11.6 million resulting from Government Accounting Standards Board Statement Number 53 (GASB 53) which requires the fair market values of derivatives to be recorded as a liability.

Below is a comparison of the Statements of Revenue, Expenses, and Change in Nets Assets for the years ended June 30, 2010 and 2009:

Expenses, and Changes in Net Assets

	For the Years ended June 30,	
	2010	2009
Operating revenues	$ 32,772,437	$ 31,472,274
Operating expenses	43,136,143	41,972,436
Operating loss	(10,363,706)	(10,500,162)
Non operating expenses	(35,609,704)	(23,320,971)
Loss before contributions	(45,973,410)	(33,821,133)
Contributions from primary and local governments and other sources	21,272,976	21,035,041
Increase (Decrease) in net assets	(24,700,434)	(12,786,092)
Net assets at beginning of year	127,766,036	206,196,796
Adjustments to beginning net assets	–	(65,644,668)
Net assets at end of year	**$ 103,065,602**	**$ 127,766,036**

The change in net assets is based on the activity that is presented on the Statement of Revenue, Expenses, and Change in Net Assets.

The presentation of the Statement of Revenue, Expenses, and Change in Net Assets discloses the revenue and expenses for the Authority during fiscal year 2010. The revenue and expenses are presented in operating and non operating categories.

At the end of fiscal year 2010, the Statement of Revenue, Expenses, and Change in Net Assets disclosed a $24.7 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 2010 totaled $32.8 million. Operating revenue of the Authority primarily 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 $15.3 million of the revenue for fiscal year 2010.

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 $8.1 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 $4.1 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, and construction management fees for other construction projects not part of the Camden Yards Sports Complex which total approximately $5.2 million for fiscal year 2010.

Non operating revenue for fiscal year 2010 was $.6 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 payments is recognized as revenue each year. For fiscal year 2010, this figure was approximately $.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 $0.4 million for fiscal year 2010.

Overall, revenue for fiscal year 2010 increased by approximately $1.3 million from revenue in fiscal year 2009 due to an increase in Orioles' Rent of $0.6 million from additional advertising revenue, decline in admission taxes of approximately $0.7 million as the result of lower attendance, increase in Baltimore Ravens' contribution of $1.0 million from higher operating costs, $0.2 million increase from warehouse and stadium rental revenue, $0.8 million increase in miscellaneous sales, a decline of $0.1 million in catering commission because of fewer events, and a decline of $0.5 million in parking revenue of daily parkers utilizing the Camden Yards.

Net operating expenses increased $1.2 million for fiscal year 2010. Explanations for the increase in fiscal year 2010 are as follows:

- During fiscal year 2010, utility costs for the Camden Yards Complex decreased by $0.7 million. This is the result of a reduction in usage and lower rates.
- Contractual services increased by $2.9 million for fiscal year 2010. Snow removal increased by $0.7 million as a result of the record setting snow we encountered. There was an increase of $1.0 million in expenses related to other non-professional events held at M&T Bank Stadium, $0.5 million

for expenses related to the Baltimore City Courthouse study, and $0.5 million in building repairs for work done at Oriole Park and M&T Bank Stadium.

- Miscellaneous expenses increased by $0.4 million largely from the increase in bad debt expense for 2010.
- Depreciation expense decreased by $1.5 million in fiscal year 2010 as the result of removing intangible assets not meeting the definition per GASB 51.
- Parking service decreased by $0.1 million from the decreased number of parkers utilizing Camden Yards.
- The salaries and benefits paid to the employees increased by approximately $0.2 million. The increase is due to increased benefit costs and salary increases.

Non operating expenses decreased by $10.2 million in fiscal year 2010. There was a decline in interest expense of $0.7 million related to a decrease in principal balance. Investment income decrease by $0.5 million resulting from decrease in 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 increased by $1.7 million, a result of declining revenue and increasing costs. There was a decrease of $2.0 million in payments to the State of Maryland because the Authority was not required to make a payment in Fiscal Year 2010. Finally, the liability due to the fair value of the interest rate swap increased by $11.6 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. The total of these contributions for fiscal year 2010 was approximately $21.3 million.

Statement of Cash Flows

The last statement presented is the Statement of Cash Flows. This 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, 2010 and 2009:

Statement of Cash Flows

	For the Years ended June 30,	
	2010	**2009**
Cash flows from (used in):		
Operating activities	$ 1,540,275	$ 8,656,910
Noncapital financing activities	(16,116,962)	(41,155,184)
Capital and related financing activities	22,576,939	34,906,056
Investing activities	(12,445,486)	3,077,220
Net increase (decrease) in cash and cash equivalents	**(4,445,234)**	**5,485,002**
Cash and cash equivalents, beginning of year	**6,826,324**	**1,341,322**
Cash and Cash Equivalents, End of Year	**$ 2,381,090**	**$ 6,826,324**

Capital Assets and Debt Administration

The Authority had $15.8 million of additions to capital assets in 2010. The Authority had an increase in debt during 2010 of $22,507,529 due to the series 2010 revenue bond issuance and the 2010 master energy performance leases. Debt was also decreased by principal payments of $16,580,380.

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

Assets	
Current Assets	
Cash and cash equivalents	$ 2,308,005
Restricted cash and cash equivalents	73,085
Restricted investments	21,283,887
Accounts receivable, net	8,447,044
Due from primary government	3,764,118
Interest receivable	178,187
Note receivable, current portion	401,025
Capital leases receivable, current portion	17,340,000
Total Current Assets	**53,795,351**
Noncurrent Assets	
Prepaid expenses and other assets	185,416
Note receivable, net of current portion	4,069,028
Capital leases receivable, net of current portion	211,287,855
Deferred financing costs, net	2,580,970
Capital assets:	
Furniture and equipment, net	10,909,315
Intangible assets, net	147,910,630
Net capital assets	158,819,945
Total Noncurrent Assets	**376,943,214**
Total Assets	**$ 430,738,565**

Liabilities	
Current Liabilities	
Accounts payable and accrued expenses	$ 13,814,336
Interest payable	2,313,078
Deferred revenue	176,357
Bonds payable and capital leases, current portion	18,069,060
Total Current Liabilities	**34,372,831**
Noncurrent Liabilities	
Accrued expenses, net of current portion	881,522
Bonds payable and capital leases, net	244,105,913
Deferred revenue	1,058,141
Interest rate swap liability	47,254,556
Total Noncurrent Liabilities	**293,300,132**
Total liabilities	**327,672,963**
Net Assets	
Invested in capital assets	110,181,526
Restricted for debt service	4,919,198
Restricted for capital assets	16,437,774
Unrestricted	(28,472,896)
Total Net Assets	**$ 103,065,602**

Statement of Revenues, Expenses, & Changes in Net Assets

Operating Revenue	
Baltimore Orioles' rent	$ 6,854,873
Baltimore Ravens' contributions	8,415,627
Admission taxes	8,145,685
Warehouse rents	4,134,337
Catering commissions	521,101
Parking revenue	1,834,670
Miscellaneous sales	2,866,144
Total Operating Revenue	**32,772,437**
Operating Expenses	
Salaries and wages	7,592,684
Telephone and postage	146,416
Travel	23,254
Utilities	4,722,265
Vehicle expense	49,803
Contractual services	13,781,821
Parking	1,556,883
Supplies and materials	785,406
Depreciation and amortization	13,555,561
Fixed charges	311,442
Miscellaneous	610,608
Total Operating Expenses	**$ 43,136,143**
Operating Loss	**(10,363,706)**
Non Operating (Expenses) Revenue	
Contributions to others for operating deficit and capital improvements	(7,955,452)
Investment income	433,342
Change in fair market value of swaps	(11,587,653)
Interest expense	(16,499,941)
Total Non Operating Expenses	**(35,609,704)**
Loss before contributions	(45,973,410)
Total Contributions from Primary Governments	**21,272,976**
Change in net assets	(24,700,434)
Total net assets, beginning of year, as restated	127,766,036
Total Net Assets, End of Year	**$ 103,065,602**

Statement of Cash Flows

Cash Flows from Operating Activities	
Receipts from Camden Yards	$ 31,202,420
Payments to employees	(7,592,979)
Payments to suppliers	(22,069,166)
Net Cash Provided by Operating Activities	**1,540,275**
Cash Flows from Noncapital Financing Activities	
Contributions from primary governments	21,272,976
Convention Center operating deficit and capital improvements	(5,234,793)
Principal paid on bonds payable and capital leases	(16,580,380)
Interest payments	(15,574,765)
Net Cash Used in Noncapital Financing Activities	**(16,116,962)**
Cash Flows from Capital and Related Financing Activities	
Purchases of capital assets	(15,816,372)
Proceeds from capital leases receivable	15,885,782
Proceeds from debt issuance	22,507,529
Net Cash Provided by Capital and Related Financing Activities	**22,576,939**
Cash Flows from Investing Activities	
Purchase of investments	(12,401,244)
Interest and gains on investments	269,564
Proceeds from note receivable	(584,582)
Loans made to others	270,776
Net Cash Used in Investing Activities	**(12,445,486)**
Net decrease in cash and cash equivalents	(4,445,234)
Cash and cash equivalents, beginning of year	6,826,324
Cash and Cash Equivalents, End of Year (including restricted cash of $73,085)	**$ 2,381,090**
Adjustments to Reconcile Net Operating Loss to Cash Flows from Operating Activities	
Operating loss	$ (10,363,706)
Adjustments to reconcile operating loss:	
Depreciation and amortization	13,555,561
Effects of changes in non-cash operating assets and liabilities:	
Accounts receivables	(1,069,402)
Due from primary government	(500,615)
Accounts payable	102,853
Prepaid expenses	(184,416)
Net Cash Provided by Operating Activities	**$ 1,540,275**

NOTES TO THE FINANCIAL STATEMENTS

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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.

B. 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.

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.

C. 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.

D. 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.

E. 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.

F. 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.

G. 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 of $310,092 was incurred during the year ended June 30, 2010, and is recorded in interest expense in the accompanying financial statements. Accumulated amortization was $4,464,554 as of June 30, 2010.

H. 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 as of June 30, 2010.

I. 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.

J. Implementation of New Accounting Pronouncements

In June 2008, the Governmental Accounting Standards Board (GASB) issued Statement No. 53 (GASB 53) Accounting and Financial Reporting for Derivative Instruments which addresses the recognition, measurement, and disclosures of information regarding derivative instruments entered into by the Authority. The implementation of this guidance caused the beginning net assets of the Authority to be decreased to account for the fair value of the interest rate swap. Net assets of the Authority as of June 30, 2009, has been restated by $27,530,953 to reflect the long term liability related to the interest rate swap discussed in note 12.

In June 2007, GASB issued Statement No. 51 (GASB 51) Accounting and Financial Reporting for Intangible Assets which addresses accounting and financial reporting for intangible assets for all state and local governments. The implementation of this guidance caused the beginning net assets as of June 30, 2009, to be decreased by $38,113,715 to reflect the write off an intangible that does not meet the definition under GASB 51.

3. 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.

4. DEPOSITS AND INVESTMENTS

As of June 30, 2010, 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, 2010, and the associated bank balances are $681,993, which are covered by Federal depository insurance.

The Authority has $73,085 held in an account with the Bank of New York. These restricted funds are required to be available if needed under the 1998 or 1999 remarketing agreements.

As of June 30, 2010, the Authority has $8,575,850 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, 2010, the Authority had a balance of $12,708,037 in funds held by trustees for various bond series. The Bank of New York holds $1,070,079 and M&T Bank holds $11,637,958. As of June 30, 2010, 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.

As of June 30, 2010, 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	$11,637,958	$11,637,958	-	-	-	-

As of June 30, 2010, 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	$1,070,079	$1,070,079	-	-	-	-

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.

The Authority discloses investment risks, below, in accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures* - an amendment of GASB Statement No. 3, which defines these risks as follows:

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 increasing 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.

5. 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 2010, 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 $513,693 to be used for a feasibility study of the Mitchell Courthouse.

6. ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2010, consisted of the following:

Baltimore Orioles	$ 5,208,591
City of Baltimore	508,000
Baltimore Ravens	2,378,369
Others	757,734
Subtotal	**8,852,694**
Less allowance for bad debts	(405,650)
Total	**$ 8,447,044**

7. 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, 2010, was $253,494.

Future note receivable payments to be received as of June 30, 2010, are as follows:

2011	401,025
2012	401,025
2013	401,025
2014	401,026
2015	401,026
2016-2020	1,712,318
2021-2023	752,608
Total	**$ 4,470,053**

8. CAPITAL LEASES RECEIVABLE

At June 30, 2010, the capital leases receivable consists of the following:

Total minimum lease payments to be received	$ 335,227,412
Less unearned interest income ranging from 2% to 6.25%	(98,742,412)
Principal balance on outstanding debt	236,485,000
Less liquid assets to be used in construction	(7,857,145)
Total	**$ 228,627,855**

Future minimum lease payments to be received as of June 30, 2010 are as follows:

For the Years Ending June 30,	
2011	$ 31,651,675
2012	31,821,612
2013	31,835,549
2014	31,924,309
2015	30,687,871
2016-2020	123,583,955
2021-2025	47,290,063
2026	6,432,378
Total	**$ 335,227,412**

	Beginning Balance	Principal Reductions	Ending Balance
Capital lease receivable:			
Camden Yards	$ 176,257,362	$ 9,872,766	$ 166,384,596
Baltimore City Conv Ctr	24,660,335	3,337,748	21,322,587
Ocean City Conv Ctr	8,654,996	1,049,996	7,605,000
Montgomery County	18,792,582	822,582	17,970,000
Hippodrome	16,148,362	802,690	15,345,672
Capital lease receivable	**$ 244,513,637**	**$15,885,782**	**$ 228,627,855**

9. CAPITAL ASSETS

Furniture and equipment and intangible assets activity for the year ended June 30, 2010, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets:				
Furniture and equipment	$17,579,358	$2,673,159	-	$20,252,517
Less: accumulated depreciation	7,239,454	2,103,748	-	9,343,202
Capital Assets, Net	**$10,339,904**	**$ 569,411**	**-**	**$10,909,315**
Intangible Assets:				
Facility rights	$263,742,347	$14,359,283	-	$278,101,630
Less: accumulated depreciation	118,741,327	11,451,813	2,140	130,191,000
Intangible Assets, Net	**$145,001,020**	**$ 2,907,470**	**2,140**	**$147,910,630**

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.

10. BONDS PAYABLE AND CAPITAL LEASES

Bonds payable and capital leases as of June 30, 2010, consisted of the following:

Lease revenue bonds payable:	
1995 Series: Issued $17,340,000 in October 1995 at 4.80% to 5.38% per annum, due in varying installments through December 15, 2015	$ 7,605,000
1998 Series A: Issued $16,300,000 in December 1998 at a variable rate, due in varying installments through December 15, 2019	12,890,000
1999 Series: Issued $121,380,000 in December 1999 at a variable rate, due in varying installments through December 15, 2019	82,530,000
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	4,530,000
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	15,435,000
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	17,970,000
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	7,870,000
2006 Series: Issued $31,600,000 in December 2006 at a variable rate; due in varying installments through December 15, 2014	21,395,000
2007 Series: Issued $73,500,000 in February 2007 at a variable rate; due in varying installments through March 1, 2026	66,260,000
Revenue bonds payable	**236,485,000**
Revenue bonds payable:	
2010 Series: Issued $10,000,000 in April 2010 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	2,947,416
2010 Master equipment lease financing in April 2010 at 5.35% rate, due in varying installments through January 1, 2020	4,000,000
2010 Master energy performance contract lease-purchase agreement in January 2010 at 4.09% rate, due in varying installments through July 1, 2022	2,476,729
2010 Master energy performance contract lease-purchase agreement in January 2010 at 6.11% rate, due in varying installments through July 1, 2022	6,030,800
Supplemental Improvements Fund Loan, 0%, due in varying installments through August 2012	250,000
Subtotal lease revenue bond, revenue bonds payable and capital leases	**262,189,945**
Plus unamortized premium (includes unamortized premiums related to both series of 2002, 2003 and the 2004 revenue bonds payable of $2,986, $55,922, $1,319, and $84, respectively, as of June 30, 2010)	60,311
Less unamortized discount (includes unamortized discount relating to the 1995 and 1996 revenue bonds payable of $10,333 and $64,950, respectively, as of June 30, 2010)	(75,283)
Net Revenue Bonds Payable and Capital Leases	**262,174,973**

On October 15, 1995, the Authority issued Ocean City Convention Center Expansion Lease Revenue Bonds, Series 1995, to finance, together with certain other funds, the expansion and renovation of the Ocean City Convention Center. Principal and interest are payable primarily from the basic rent to be paid by the State under the Master Lease. Interest is payable semiannually at rates varying from 4.80% to 5.38% per annum. This issue contains $13,265,000 of serial bonds that mature in varying amounts through December 15, 2013, and a $2,815,000 term bond that matures December 15, 2015. The term bond requires a sinking fund redemption beginning December 15, 2014.

On December 10, 1997, the Authority issued the tax-exempt Sports Facilities Lease Revenue Bonds, Series 1997, to finance the construction of the football stadium and to refinance, in part, the costs of acquiring and preparing the property at the Stadium site. Principal and interest on the Series 1997 Bonds are payable primarily from the basic rent to be paid by the State under the Master Lease. Interest is payable semiannually at 4.66% per annum. These bonds matured on December 15, 2008.

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.

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 2010 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.

Debt service requirements subsequent to June 30, 2010 are as follows:

For the Years ending June 30,	Principal Maturities	Interest	Total
22011	$ 18,069,060	$ 15,139,312	$ 33,208,372
2012	20,692,858	14,388,336	35,081,194
2013	21,756,778	13,080,190	34,836,968
2014	30,839,167	11,655,957	42,495,124
2015	22,475,217	10,183,533	32,658,750
2016-2020	100,874,356	31,666,698	132,541,054
2021-2025	41,402,509	8,336,715	49,739,224
2026	6,080,000	352,378	6,432,378
Total	**$ 262,189,945**	**$ 104,803,119**	**$ 366,993,064**

11. DEFERRED REVENUE, REFUNDINGS, AND INTERESTS RATE SWAPS

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.

Recognition of the deferred revenue subsequent to June 30, 2010, is as follows:

For the Years Ending June 30,	
2011	$ 176,357
2012	176,357
2013	176,357
2014	176,357
2015	176,357
2016-2020	352,713
Total	**$ 1,234,498**

The advanced payment is recorded as deferred revenue as of June 30, 2010, and will be recognized as revenue during the following years.

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.

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, 2010, are as follows:

Associated Bond Issue	Notional Amount	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Values	Swap Termination Date	Counter-party Rating
Series 1998	$ 12,890,000	12/15/98	7.510%	USD-CP-H.15 + 0.10%	($3,625,386)	Dec. 2019	A-/A3
Series 1999	82,530,000	12/15/99	5.540%	Bond Rate*	(23,135,090)	Dec. 2019	A-/A3
Series 2006	21,395,000	12/05/08	5.83% to 5.88%**	SIFMA***	(2,554,232)	Dec. 2014	AA-/Aa3
Series 2007	66,260,000	12/05/08	5.69% to 5.80%**	SIFMA***	(17,939,848)	March 2026	AA-/Aa3
Total	**$183,075,000**				**($47,254,556)**		

* *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, 2010, and the fair value as of June 30, 2010.

	Change in Fair Value		Fair Value as of June 30, 2010	
	Classification	**Fair Value**	**Classification**	**Amount**
Fair value hedge:				
Pay fixed interest rate swap	Change in fair market value of swaps	$11,587,653	Swap valuation liability	$47,254,556

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, 2010. 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, 2010, 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, 2010. 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, 2010. 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, 2010.

Basis Risk. As of June 30, 2010, 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, 2010, 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)

Fiscal Year Ending June 30	Principal	Interest	Interest Rate Swaps, Net	Total
2011	$ 13,090,000	$ 608,169	$ 11,066,975	$ 24,765,144
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	$ 183,075,000	$ 4,183,274	$ 74,658,626	$ 261,916,900

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

(2) Using rates as of June 30, 2010, 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. NONCURRENT LIABILITIES

Noncurrent liability activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Compensated absences	$ 686,343	$ 88,191	$ 62,080	$ 712,454	$ 20,000
Other liabilities	2,000,000	-	2,000,000	-	-
Workers' compensation	247,000	59,287	82,540	223,747	34,679
Revenue bonds and capital lease payable, net	256,248,722	22,507,529	16,581,278	262,174,973	18,069,060
Deferred revenue	1,410,855	-	176,357	1,234,498	176,351
Interest rate swap liability	35,666,903	11,587,653	-	47,254,556	-
Total	**$296,259,823**	**$34,242,660**	**$18,902,255**	**$311,600,228**	**$18,300,090**

14. OPERATING LEASES

A. 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, 2010, are as follows:

For the Years Ending June 30,	Amount
2011	$ 3,475,192
2012	2,546,169
2013	2,494,706
2014	2,175,020
2015	1,973,151
2016-2020	2,551,988
2021-2026	3,213,576
Total	**$18,429,802**

Lease rental income for the year ended June 30, 2010, was $4,134,337.

15. RETIREMENT PLANS

A. 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.

B. 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, 2010, 2009, and 2008, of $501,155, $426,711 and $442,899, respectively.

C. 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, 2010.

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

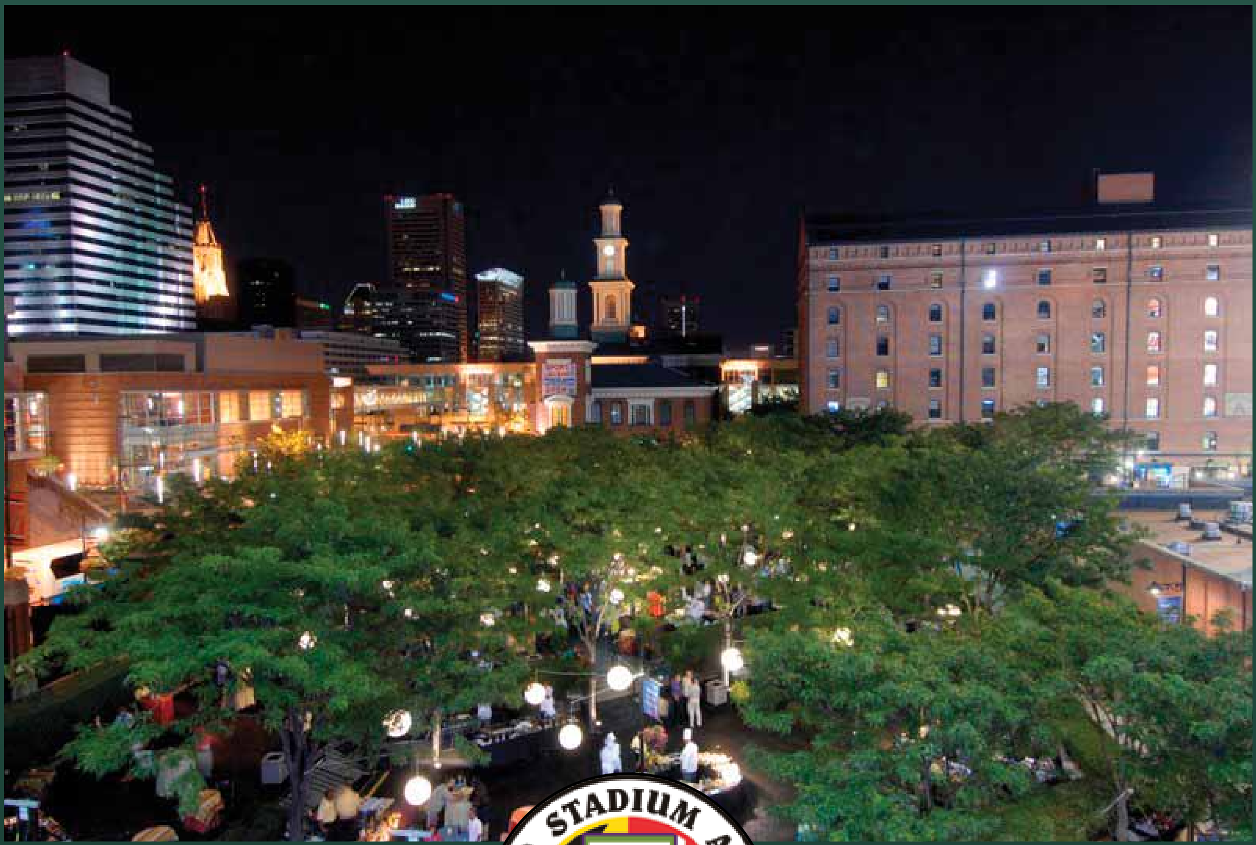
In the normal course of operations, certain claims have been brought against the Authority, which are in various stages of resolution. Management believes that the ultimate resolution of the claims will not have a material adverse effect on the Authority's financial position.

ONWARD AND UPWARD

MSA staff go to all lengths (and heights) to get the job done, 365 days a year.

Ray Winfrey, John Waters and Dalando Bryant of Facilities journey to the Camden Station clock tower to help paint the town purple for the playoff run.

Background photo by Nicholas Gringer.



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