MARYLAND STADIUM AUTHORITY

ANNUAL REPORT 2001

REMEMBERING TEN YEARS

Parris N. Glendening
Governor

MARYLAND STADIUM AUTHORITY

John Brown, III
Chairman

F. Vernon Boozer
Earl U. Bravo, Sr.
Michael R. Enright
Dennis C. Murphy
Robin O. Oegerle
James A. Soltesz

Richard W. Slosson
Executive Director

M. Carol Salmon
Editor

MARYLAND STADIUM AUTHORITY

2001 ANNUAL REPORT

Maryland Stadium Authority
The Warehouse at Camden Yards
333 West Camden Street, Suite 500
Baltimore, Maryland 21201
Telephone: 410-333-1560
Toll Free: 1-877-MDSTAD (637-8234)
FAX: 410-333-1888
Email: msa@mdstad.com
Web Site: www.msa@mdstad.com

TABLE OF CONTENTS

The Sports Complex at Camden Yards
A Decade to Remember 8

The Sports Complex at Camden Yards

Update – 2001 12

Project Updates

Hippodrome Performing Arts Center 17
Memorial Stadium 18
Montgomery County Conference Center 18
Ripken Stadium 19
Towson University 19
Towson Sports Complex 20
John Schuerholz Baseball Complex 20
University of Maryland Baltimore County 20
University of Maryland College Park 21
Comcast Center 21
Arena Garage 22
Softball Field 22

Maryland Stadium Authority Board Members 23

Maryland Stadium Authority Organization Charts . . . . . 27 - 28

Maryland Stadium Authority Staff . . . . . 29 - 32

Audited Financial Statement 33

MARYLAND STADIUM AUTHORITY

PARRIS N. GLENDENING
GOVERNOR

RICHARD W. SLOSSON
EXECUTIVE DIRECTOR

THE WAREHOUSE AT CAMDEN YARDS
333 WEST CAMDEN STREET, SUITE 500
BALTIMORE, MARYLAND 21201-2435
(410) 333-1560 FAX (410) 333-1888

MEMBERS

JOHN BROWN, III
CHAIRMAN

F. VERNON BOOZER
EARL U. BRAVO, SR.
MICHAEL R. ENRIGHT
DENNIS C. MURPHY
ROBIN O. OEGERLE
JAMES A. SOLTESZ

To the Governor and Members of the
Maryland General Assembly:

We are pleased to present the Annual Report of the Maryland Stadium Authority for Calendar Year 2001.

Our tenth season in the Camden Yards Sports Complex began with the Baltimore Ravens becoming World Champions. Following the team's Super Bowl victory, a stirring parade began at Camden Yards and progressed through City streets lined with enthusiastic fans. September brought a deeply moving moment with the final career appearance of Cal Ripken, baseball's *"Iron Man"* who brought joy and inspiration to generations of fans throughout the Nation. Our fourth season in PSINet Stadium ended with the Ravens' again having a winning season and continuing into the post-season play.

Our current projects are moving steadily toward completion and we look forward to any new assignments that may come our way. As always, thank you for your support and for your confidence in our ability to accomplish all tasks in a timely and cost effective manner.

Sincerely,

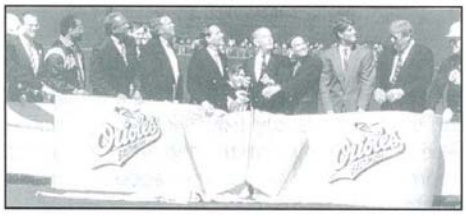
John Brown, III
Chairman

Richard W. Slosson
Executive Director

THE SPORTS COMPLEX AT CAMDEN YARDS

1992 - 2001
A DECADE TO REMEMBER

Amazingly, it has been ten years since the Sports Complex at Camden Yards opened for the first baseball game and became a major attraction in the Baltimore Metropolitan area. And what a ten years it has been!



On April 6th, 1992 our new baseball park opened to rave reviews from fans, players and architectural critics. The new home for the Orioles marked a dramatic change in the "style" of ballparks throughout the nation. The ballpark's design was the result of a thorough study of the best of the old-fashioned, traditional ballparks that played such a significant role in America's pastime. Oriole Park at Camden Yards became the standard for new stadium construction throughout the country with many cities adapting our concept to their needs and locations.

The excitement of the ballpark opening was quickly followed by the thrill of hosting Major League Baseball's All Star Game in July, 1993. Leading up to this historic event, the week preceding the game was packed with fan-friendly activities that allowed those unable to secure tickets the opportunity to be a part of the All Star experience.

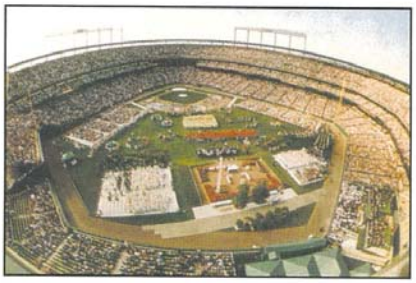
The movie *"Major League II,"* a sports comedy, was filmed at Camden Yards in 1994. This same year, the Maryland Stadium Authority relocated from the World Trade Center to The

Warehouse at Camden Yards and began its efforts to lease office space in the Warehouse.

A new hero appeared at the Sports Complex in May, 1995 with the arrival of a statue honoring Babe Ruth. Funded by private donations, the statue was unveiled at the north entrance to Oriole Park at Camden Yards in celebration of the 100th anniversary of the Babe's birthday.

In September, 1995 the Nation's attention was focused on Oriole Park at Camden Yards when Cal Ripken first tied and then surpassed Lou Gehrig's 2,130 consecutive game streak.

October, 1995 brought the international spotlight to Oriole Park at Camden Yards. The last stop on the United States tour of Pope John Paul II was an appearance in our ballpark. With expanded seating for 50,000, special landscaping and a 33-foot high cross, Oriole Park became the scene of a three-hour papal mass.



Our prayers were answered when in November, on what was then a parking lot, Governor Glendening, Mayor Schmoke and then-MSA Chairman John Moag announced the relocation of Art Modell's team to Baltimore marking the return of professional football after more than a dozen years!

The 1996 and 1997 calendar years saw the Orioles in post-season play – the wild card team in 1996 and divisional winners in 1997.

Improvements to the Sports Complex continued throughout these years with the acquisition of the last of the properties located on the Camden Yards

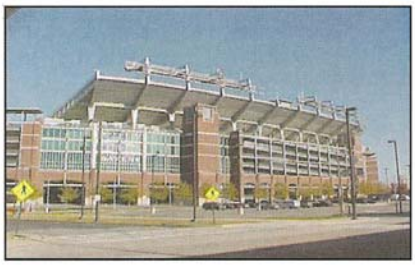
site and the installation of an ice storage tank beneath the North Warehouse parking lot to serve several downtown businesses.

A special plaque was received commemorating Camden Yards as the site of a bivouac camp of French troops serving under the command of General Count de Rochambeau in support of our troops on his marches to and from Yorktown during the Revolutionary War.

The Opening of PSINet Stadium in September, 1998 marked the dramatic return of the National Football League to Baltimore. The new stadium, of course, added a spectacular element to Camden Yards and to the Baltimore landscape.

Site improvements continued in 1998 as renovations were made to the Club Level and suites of Oriole Park at Camden Yards and a new light rail station was opened adjacent to the new Ravens' stadium.

May, 1999 saw the first major concert held at Camden Yards as the WHFStival, with an assortment of bands and entertainers, drew more than 80,000 fans to PSINet Stadium.

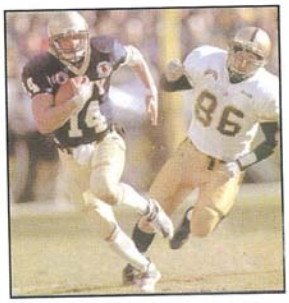


Oriole Park was also the site of a game between the Orioles and the Cuban National Team. This game, a rematch of the game between these same teams in Cuba earlier in the year, was played before a full house.

Camden Yards' second major motion picture *"The Replacements"* starring Gene Hackman and Keanu Reeves was filmed on location at PSINet Stadium in 1999.

Metallica was the featured band at the second major concert in PSINet Stadium during the summer of 2000.

Perhaps one of the most significant events to take place at Camden Yards was the Army-Navy game in December, 2000. This game, played in Baltimore for the first time since 1941, certainly was worth the wait! Echoing the excitement that accompanied Opening Day 1992 and the 1993 All Star Game, activities related to the game were planned so that those without tickets could share the excitement of the big game. The "March On" along the fan-lined route from Rash Field, through the Inner Harbor, up Conway Street, through Camden Yards and into PSINet Stadium was truly spectacular!



The new century brought additional improvements to the facilities at Camden Yards, including a new playing field in Oriole Park, maintenance of the ballpark's steel superstructure and an expansion of the baseball park's broadcast capacities.

Within the Warehouse at Camden Yards, renovations were made to the lobby areas and upgrades put in place for the fire alarm and energy management systems.

An offspring of Maryland's State Tree, the Wye Oak, was planted at Camden Yards adjacent to PSINet Stadium in 2000.

The Baltimore Ravens became World Champions in January, 2001 – a truly auspicious start for the New Year. Later in the year, the Ravens' staff moved from their downtown offices to PSINet Stadium.

An especially moving moment occurred in September, 2001 as Baltimore's "*Iron Man*" - Cal Ripken - played his last Major League Baseball game.

Camden Yards has been the site of incredible changes in just ten years. Emerging from its image as a fading industrial park of the 1800's, it has evolved into a dynamic hub of activity. Drawing thousands of non-game visitors each year for tours, meetings, seminars and a host of other activities, the vision that began in the 1980's has become a reality!

THE SPORTS COMPLEX AT CAMDEN YARDS

UPDATE - 2001

Calendar Year 2001 marked another year of solid progress by the Maryland Stadium Authority (MSA) at Camden Yards.

The Warehouse at Camden Yards continued to be fully occupied with 13 tenants, several expressing a desire for increased space.

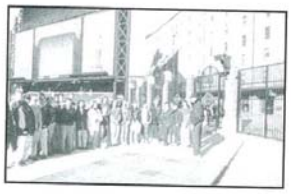
Early in 2001, a lunch meeting hosted by MSA was held with representatives of all tenants attending. This event permitted the tenants to ask questions, express concerns and offer suggestions for our consideration to enhance or improve the environment at Camden Yards.

CAMDEN YARDS NEWSLETTER

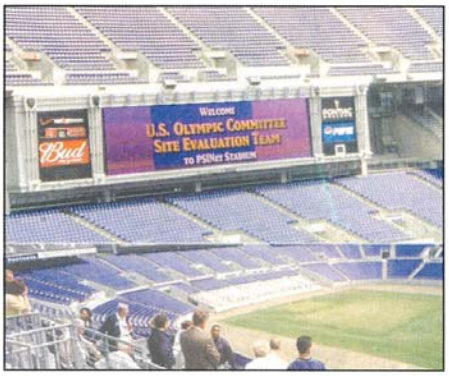
STADIUM AUTHORITY EMPLOYEES HONORED FOR OUTSTANDING PERFORMANCE

In 2001, a tenant newsletter was initiated. Published four times during the year, the newsletter afforded MSA the opportunity to inform our tenants about upcoming events, news about their Warehouse neighbors, special events at Camden Yards, changes on site (such as the implementation of enhanced security procedures) and the recognition of outstanding performance by MSA employees.

Planned for our Warehouse tenants in 2002 is the initiation of behind-the-scenes tours of the Camden Yards facilities and a new tenant survey to ensure that all tenant needs are being met.



In 2001, non-game day tours of Oriole Park at Camden Yards attracted more than 51,000 visitors. Since its opening in 1992, the ballpark has averaged approximately 70,000 tourists each year. The closing of the Howard Street Tunnel (CSX train derailment) and the limited access to Eutaw Street (an enhanced security measure arising from the tragic events of September 11th) had a diminishing impact on the number of guests this year. Still, in the ten seasons at Camden Yards, more than one-half million guests have toured the baseball park.



Representatives of the United States Olympic Committee (USOC) visited the Camden Yards Sports Complex in June, 2001. The walking tour of the baseball park and football stadium included highlights of both facilities and emphasized the ease of access, abundance of parking and other special features that would make this site an ideal location for a venue for the 2012 Olympics. The presentation was successful and the Washington-Baltimore area was selected as a finalist. In November, 2002, the USOC will make its recommendation on the U.S. city to be proposed to the International Olympic Committee and the final decision on the site of the 2012 Olympics will be made in October, 2005.

Parity discussions with the Orioles led the Stadium Authority to arbitration with the team during 2001. Eleven claims were raised, including rent credits, a capital grant to build more skyboxes and the installation of new audio and video systems. In addition, the Orioles requested cash compensation for naming rights, future rents from MSA warehouse tenants, relief from a loan obligation and certain tax benefits. In July, after lengthy hearings and a deliberation period, the arbitration panel announced its decision, agreeing with the Stadium Authority's position on the majority of the issues. The panel ruled that the Orioles had the right to share in the profits from future non-baseball events in the ballpark and that the Orioles had the right to sell the ballpark name and retain the profits. In addition, the panel stated that the Stadium Authority must deposit $10 million into the Ballpark Improvements Fund from which funds are expended solely for the public areas of the ballpark. These improvements may be made only with the joint approval of the Stadium Authority and the Orioles.

The Sports Complex and the on-site facilities continue to attract an assortment of non-game events and activities, beginning, of course, with Camden Yards being the staging site for the parade honoring our Super Bowl Champions, the Baltimore Ravens.

A "new arrival" appeared in Oriole Park at Camden Yards just before the 2001 season began. The second foul

pole from Memorial Stadium was installed in the baseball park. (The first foul pole from Memorial Stadium was moved to Camden Yards during the original ballpark construction.)

The Warehouse at Camden Yards, Eutaw Street, the Club Level and Diamond Club in the ballpark were the scene of more than 150 events, including weddings, trade shows, receptions, parties and meetings. Coca Cola and the Rite Aid Corporation hosted large events (3,000 and 4,400 persons respectively) on Eutaw Street

The American Bus Association held a 1,500 person "tailgate party" on the ballpark's Club Level and the *"Taste of Baltimore"* was again held on the concourse of Oriole Park at Camden Yards.

PSINet Stadium's Club Level also was the location of choice for approximately 100 non-game corporate and individual events. These activities included the Ed Block Courage Awards, the Baltimore City Teachers' Association recruitment fairs, political fundraisers, a dinner benefiting the House of Ruth and several distinctive occasions for local corporations (Comcast and Alex Brown). More than 31,000 guests participated in the non-game activities at PSINet Stadium.

Our lots were utilized for parking for large shows at the Baltimore Convention Center, including the auto and boat shows and for a variety of outdoor activities. For example, July brought the return of Hoop-It-Up and the Oriole Advocates' 5K race.

October brought the *"Race for the Cure"* followed by the first-ever Baltimore Marathon. This event was a resounding success and, hopefully, will become an annual event.

Also in the fall, two traditional high school football game rivalries again took place at PSINet Stadium with City taking on Poly and Loyola challenging Calvert Hall.

It is anticipated that Camden Yards will continue to be the site of a vast array of exciting events in the future. Already scheduled for 2002 are the African American Heritage Festival, Hoop-It-Up, the Second Baltimore Marathon, the Boy Scouts Expo and a series of events sponsored by charitable organizations, including Cystic Fibrosis' Great Strides and the Oriole Advocates' 5K Run.

The Navy-Notre Dame game is scheduled for PSINet Stadium in the fall of 2002 and planning is underway for the NCAA Lacrosse Tournament to be held in the football stadium in May, 2003 and 2004.

At year's end the Stadium Authority was actively negotiating a final agreement with ClearChannel Entertainment to secure major events, including concerts, to be held at PSINet Stadium in the coming years. The possibility of Major League Lacrosse games being held at PSINet Stadium also was being explored.

In addition to being the site of special events, our parking lots are a part of an agreement between the Stadium Authority, the City of Baltimore, the Maryland Department of Transportation and the Downtown Partnership to run parking and shuttle service between Camden Yards and several downtown area businesses.

The Stadium Authority's web site continued its popularity, receiving in excess of 35,000 visitors and a million "hits" during the calendar year. The site provides information on our Board members, news releases, summaries of our completed projects, current undertakings and posts requests for proposal.

Again in 2001, the Stadium Authority staff increased their donations to the Maryland Charity Campaign and sponsored two blood drives for its employees and for tenants of the Warehouse resulting in sufficient blood supply to benefit 243 patients!

A highlight of the year was, of course, Cal Ripken's farewell to Major League Baseball.

At year's end, the Orioles announced adjustments to the ballpark's dimensions. Home plate will be restored to its original location (7 feet closer to the outfield) resulting in shortened ballpark dimensions. This change will require other modifications including the relocation of the foul poles, pitcher's mound and base paths.

Also in 2001, the Orioles began construction of a studio to be used for the production of game broadcasts in the upcoming baseball season.

The Maryland Stadium Authority continued its responsibilities in monitoring the activities and fiscal records of the Baltimore and Ocean City Convention Centers. In spite of the events of September 11th both facilities were able to increase revenues and decrease costs. This careful management enabled the Stadium Authority to return $1.5 million in unspent general fund appropriations to the State coffers.

The Baltimore Convention Center hosted the Boat Show, the Gem and Jewelry Show, the ACC Craft Show, the National Fiber Optics Conference and numerous other large conventions. The Town of Ocean City and its Convention Center welcomed the Maryland Classified Employees Association, the Maryland State Teachers Association and the Maryland State Firemen's Association during the 2001 calendar year.

PROJECT UPDATES

The Maryland Stadium Authority remained active in seven projects during the 2001 calendar year. In fact, several of our projects are nearing completion as we enter the new year.

Hippodrome Performing Arts Center

Project Director:	**Robert Boras**
Architect:	**Hardy, Holzman, Pfiefer Associates Murphy & Dittenhaffer**
Construction Manager:	**Whiting-Turner**
Project Budget:	**$56 Million**

Hippodrome Performing Arts Center

The Hippodrome Theatre on Eutaw Street on Baltimore's *"new West Side"* is being re-developed and expanded to accommodate Broadway shows. The 2,250 seat theater will be the result of a broad partnership which, in addition to the Stadium Authority, include the Governor, Maryland General Assembly, Mayor and City Council of Baltimore, Baltimore County government, ClearChannel Entertainment, the Baltimore Center for the Performing Arts and many private contributors.

The role of the Maryland Stadium Authority is to oversee the design, development and construction of the facility. Upon completion, a for-profit limited liability corporation will monitor the theater operator to ensure proper building maintenance and that the professional entertainment booked for the theater meets the high quality standards expected by regional theater patrons.

The Stadium Authority began the 2001 calendar year facing budget deficits. Working closely with design consultants and a new construction manager, the budget was brought back in line. Early construction tasks began, including minor demolition, removal of seating, temporary lighting, taking plaster

molds, securing the site, building out a site office and releasing critical shop drawings.

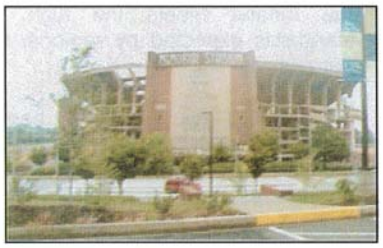
The negotiation of funding, operations, historic tax credits and maintenance agreements with the operator continued in 2001. In addition, lease negotiations with the Baltimore Center for Performing Arts were conducted throughout the year.

At year's end, plans were being finalized for the groundbreaking ceremony for the project. When completed, it is expected that the Hippodrome Performing Arts Center will serve as the catalyst for Baltimore's Westside Renaissance that ultimately will generate $300 - $500 million in new private investment.

Memorial Stadium

Project Director: **Edward E. Cline**

Demolition Contractor: **Potts & Callahan**



During 2001, demolition of Memorial Stadium began. The former home of the Baltimore Colts, Orioles, Stallions and Ravens, the stadium was unoccupied and unused for more than four years and the wear and tear were obvious. Early in 2001, the Mayor and City Council of Baltimore made the decision to raze the facility and demolition began in April. By fall, only the stadium façade remained. At year's end, the Mayor and City Council of Baltimore made the decision to demolish the last remaining portion of the stadium; the letters of the memorial were removed and stored by the City of Baltimore and it is expected that the stadium will be completely demolished by April, 2002.

The possibility of a new memorial paying tribute to our veterans at Camden Yards is being explored.

Montgomery County Conference Center

Project Director: **Gary A. McGuigan**

Developer: **Quadrangle Development Corp.**

Architect: **RTKL Associates, Inc.**

Project Budget: **Conference Center portion of this $66 Million project estimated at $33.5 Million**

Work continued throughout 2001 with the Quadrangle Development Corporation and representatives of the Montgomery County government on design and construction of the Conference Center.

The Conference Center will be a part of a larger project, which includes a privately developed and owned Marriott Hotel. Bids for a general contractor were received and Hitt Contracting, Inc. was selected. Portions of the project, including wiring requirements and millwork, are being value engineered. Before bonds for the project may be sold, a financing commitment for the hotel must be received.

Ripken Stadium

Project Director:	**Gary A. McGuigan**
Site Representative:	**Jeffrey Provenzano**
Architect:	**Design Exchange**
General Contractor:	**Baltimore Contractors, Inc.**
Construction Manager:	**Heery International**
Project Budget:	**$18 Million**

Substantial progress was made during the past year on the 6,000-seat minor league baseball stadium in Aberdeen. Slated for completion in Spring, 2002, the stadium superstructure has been completed and the field is in place. The facade is installed and the parking lot was 80 percent complete at year's end.

Ripken Baseball, the group that has overseen all of Cal Ripken's off-field activities for years as well as the project in Aberdeen, is responsible for food service, scoreboards, seating, equipment, security, telecommunications, audio-visual systems, public address needs as well as furniture, fixtures and equipment. Early in 2002, Ripken Baseball announced the purchase of the Utica Blue Sox of the Class A Short Season NY-Penn League. This team will begin play in the new stadium in June, 2002.

The stadium is funded by the State, Harford County, the City of Aberdeen and private funds.

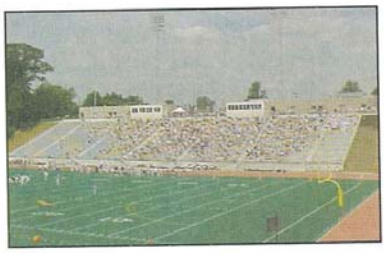
Towson University

Project Director:	**Kim I. McCalla**
Architect:	**Cho, Benn & Holback/ Ellerbe Becket**
Construction Manager:	**Barton Malow Company / Essex JV**

Towson University engaged the Maryland Stadium Authority to assist with two projects – the Towson Sports Complex and the John Schuerholz Baseball Complex.

Towson Sports Complex

Project Budget: **Estimated at $31.5 Million**



Following the completion of Phase I in 1999, Phase II, consisting of increasing the seating capacity by 5,400 and the addition of restrooms, concession stands, ticketing facilities and a promenade from the north to the south side of the stadium was completed in August, 2001 in time for the fall semester classes and sports' season.

Phase III of the Sports Complex consists of demolition of the original stadium, replacing it with new seating, restrooms and concession stands. Also incorporated into this phase is the construction of a field house for the football, men's and women's lacrosse teams and the field hockey team. In addition, the training facility will be expanded to include classrooms and an academic support facility to assist student-athletes.

When completed, the sports complex will accommodate 11,000 fans and include a press box as well as a new field house with classrooms, offices and locker rooms.

The third and final phase began during the summer of 2001 and is scheduled for completion in the Fall of 2002. As with the other phases of this project, construction continues while the stadium facility remains in constant use.

John Schuerholz Baseball Complex

Project Cost: **$.5 Million**

The baseball field construction began late in 2000 and was completed in March, 2001 in time for the spring baseball season. The stadium seats 500 and incorporates a press box, concession stand and restroom facilities.

University of Maryland Baltimore County

Project Director: **Gary A. McGuigan**

Architect: **Design Collective, Inc.**
Perry Dean Rogers & Partners

Construction Manager: **Barton Malow/ Essex**

Project Budget: **Estimated at $35.1 Million**

The Maryland Stadium Authority continued its supervision of University Commons at the University of Maryland Baltimore County during the 2001 Calendar Year. As the facility nears completion, major strides were made in the 148,000 square foot structure. Carpeting, terrazzo and wood floors, elevators, restaurant kitchens and dining areas were completed this past year and the building's Certificate of Occupancy was issued in January, 2002.

The Commons will include meeting rooms, retail stores, a bookstore, a wide assortment of food outlets (including a late-night grill), a bank, administrative offices, facilities for student organizations, copying center, recreation center and a student-run nightclub. Technologically state-of-the-art, the student center will have wireless connections to the Internet throughout the building. Video screens and walls located on all floors are capable of projecting information, entertainment and images of campus life.

The Commons will lend visual excitement to the UMBC campus. The four-story, multi-leveled building is walled principally by thermal glass. The openness of the lit interior should be visible from many locations on the campus. An assortment of color and patterns are utilized throughout The Commons to accentuate the architecture and enliven the atmosphere.

The official opening is set for January 28, 2002.

University of Maryland College Park

Project Director: Kim I. McCalla

Architect: Ellerbe Becket / Design Collective, Inc.

Construction Manager: Gilbane Building Co./ Smoot, JV

Comcast Center

Project Budget: $125.3 Million

Throughout 2001, the Maryland Stadium Authority made steady progress on the Comcast Center at the University of Maryland. by year's end, work was substantially completed on exterior walls, windows and the roof, completely enclosing the building. Work on the interior finishes, including the hanging of drywall and installation of ceramic tile, had begun. Permanent power and steam have been connected and much of

the mechanical, electrical and plumbing systems are installed.

When completed in October, 2002, the 17,100-seat arena will house the athletic department and provide facilities for 25 different University sports. Included will be the basketball court, the practice gym, weight training facilities, a wrestling gym and locker rooms. Also included as a part of the 460,000 square foot building will be concession stands, athletic administrative offices, a team store, press areas, a "Walk of Fame," twenty (20) suites and a 7,000 square foot academic support facility.

In addition to the Comcast Center itself, the Stadium Authority has overseen improvements to the arena's access roads and parking lots. Work on Paint Branch Drive is complete while enhancements to MD-193 continue. Two of three new parking lots have been completed and turned over to the University for immediate use. "Terrapin Trail," the new name for Farm Road, was completed and turned over to the University in time for use by the students at the beginning of the fall semester. This road serves the garage and when the arena and greenhouse are completed, will connect with Paint Branch Drive.

Arena Garage

Project Budget: $16.5 Million

Completed on time and below budget, the Arena Garage was turned over to the University for use during the 2001 fall semester. Able to accommodate approximately 1,200 cars, the garage is connected to the main campus via a pedestrian bridge, which spans Campus Creek. The bridge, a part of the arena project, also was available for the fall semester.

Softball Field

Project Budget: $4.1 Million

The 1,000-seat softball field is scheduled for completion in March, 2002. The Bermuda grass field was installed during the summer of 2001 and placement of the stands has begun. Included in this project are restrooms, a concession stand and batting and pitching areas.

MARYLAND STADIUM AUTHORITY

BOARD MEMBERS

John Brown, III
Chairman

John Brown, III was named Chairman of the Maryland Stadium Authority on January 1, 1999 and has served as a member of the Authority since March, 1995. Mr. Brown is President of M.B.K. Enterprises, Inc. (R. J. Bentley's Restaurant) and Managing Partner of the College Park Professional Center. He also serves as President of the Downtown College Park Management Authority and is on the Board of Directors of the Restaurant Association of Maryland, serving as Government Relations Committee Chairman. Actively involved in numerous organizations affiliated with the University of Maryland, Mr. Brown serves as a member of the Inner Circle of the Michael D. Dingman Center for Entrepreneurship; the Maryland Business School Alumni Chapter Board of Directors; the University of Maryland Alumni Association, Inc. Board of Governors and is a Past President of the University of Maryland Terrapin Club. Mr. Brown is a member of the Board of the University of Maryland Medical Systems. He received a B.S. Degree from the College of Business and Management of the University of Maryland. In 1998, the Robert H. Smith School of Business recognized Mr. Brown as one of its outstanding alumni.

Richard W. Slosson
Executive Director

Richard "Rick" Slosson was named Executive Director of the Maryland Stadium Authority effective March 1, 2000. An engineer with more than 20 years' experience in the construction, development and land use industry, he has worked on projects in 33 States, two Canadian Provinces, Europe and the Pacific Rim.

Prior to joining the Stadium Authority, Mr. Slosson served as Executive Vice President of Sunrise Development, Inc., a wholly owned subsidiary of Sunrise Assisted Living. In that capacity he was responsible for all phases of feasibility studies, site acquisition, project planning and

design, contract negotiations and construction of all projects.

Before joining Sunrise in 1996, Mr. Slosson was employed by The Evans Company as Vice President of Construction from 1989 to 1996; as Contracts Manager / Senior Project Manager for Omni Construction from 1984 to 1989 and as a Project Engineer / Project Manager for the Whiting Turner contracting company from 1979 to 1984. Mr. Slosson was involved in many projects in the Baltimore Metropolitan Area including the National Aquarium, Harbor Place, the Baltimore Zoo, General Motors Assembly Plant, the Back River Waste Water Treatment Plant and The Annapolis Hotel.

A graduate of the University of Virginia with a Bachelor of Science Degree in Engineering, Mr. Slosson is married to Marylee and the father of two children, Scott and Megan.

F. Vernon Boozer

F. Vernon Boozer was appointed a member of the Maryland Stadium Authority on July 1, 1999. Mr. Boozer served as a member of the Maryland General Assembly for twenty-eight (28) years, first as a Delegate (1971 - 1979) and then as a member of the Maryland State Senate (1981 - 1999). During his tenure in the Maryland Legislature, Mr. Boozer served as Minority Leader and on numerous committees including the Senate Budget & Taxation Committee, the Rules Committee, Legislative Policy Committee, Joint Management of Public Funds and Finance Committee. Born in Norfolk, Virginia, Mr. Boozer received his A.B. Degree from Duke University and his J.D. from the University of Maryland School of Law. Married with four children, Mr. Boozer is a partner in the law firm of Covahey & Boozer in Towson, Maryland.

Earl U. Bravo, Sr.

Earl U. Bravo, Sr. was appointed to the Maryland Stadium Authority in July, 2001 for a four-year term. Mr. Bravo serves as Chief Operating Officer of The Chapman companies, a publicly traded, minority-controlled brokerage firm in Baltimore City. Before assuming his current responsibilities, Mr. Chapman was President of The Chapman Capital Management subsidiary, managing all planning, marketing, administration, regulatory filings and portfolio management for the firm.

Prior to joining the Chapman Company, Mr. Bravo was Vice President in the Retail Finance Division of the Maryland National Corporation. A member of the Greater Baltimore Committee's Public Policy Committee, Mr. Bravo is on the Advisory Board of the Urban Financial Services Coalition (formerly the

Maryland Association of Urban Bankers) where he formerly served as Association President.

Mr. Bravo earned a B.A. in economics from Howard University and received his M.B.A. from the University of Maryland, College Park. Mr. Bravo lives in Baltimore City.

Michael R. Enright

Michael R. Enright was named as a member of the Maryland Stadium Authority on April 10, 2000 representing the City of Baltimore. Mr. Enright serves as Baltimore's First Deputy Mayor. Prior to joining the Mayor's staff, Mr. Enright was Legislative Director for United States Congressman Benjamin Cardin where he oversaw management of the legislative staff and the day-to-day legislative activities for Representative Cardin. From 1991 until 1998, Mr. Enright served as Executive Assistant to Maryland Attorney General J. Joseph Curran. In this role, he directed the communications operation and served as speechwriter and spokesperson for the Attorney General. Before joining General Curran's staff, Mr. Enright worked as a newspaper reporter and freelance writer for the Baltimore Sun and a wire service syndicated by the New York Times. Born in Washington, D. C., Mr. Enright, received his Bachelor of Arts Degree in English (with honors) from Tulane University in New Orleans, Louisiana and his Master's Degree in Public Administration from Harvard University's Kennedy School of Government.

Dennis C. Murphy

Dennis C. Murphy became a member of the Stadium Authority on August 1, 1997. He serves as President of Murphy and Hogan Commercial Real Estate Services in Annapolis. A Professional Certified Economic Developer, Mr. Murphy has served as President of the Maryland Industrial Development Association, a member of the Board of Directors of the American Economic Development Council and a member of the Prince George's County Private Industry Council. Mr. Murphy also served as President and Chief Executive Officer of the Prince George's County Economic Development Corporation. A Washington area native, Mr. Murphy attended secondary school and college in Prince George's County and served in the U.S. Marine Corps.

Robin O. Oegerle

Robin O. Oegerle was appointed to the Maryland Stadium Authority on January 1, 1999. She serves as Director of Marketing and media spokesperson for Ferris, Baker Watts, Inc. in Baltimore as well as functioning as Coordinator of the

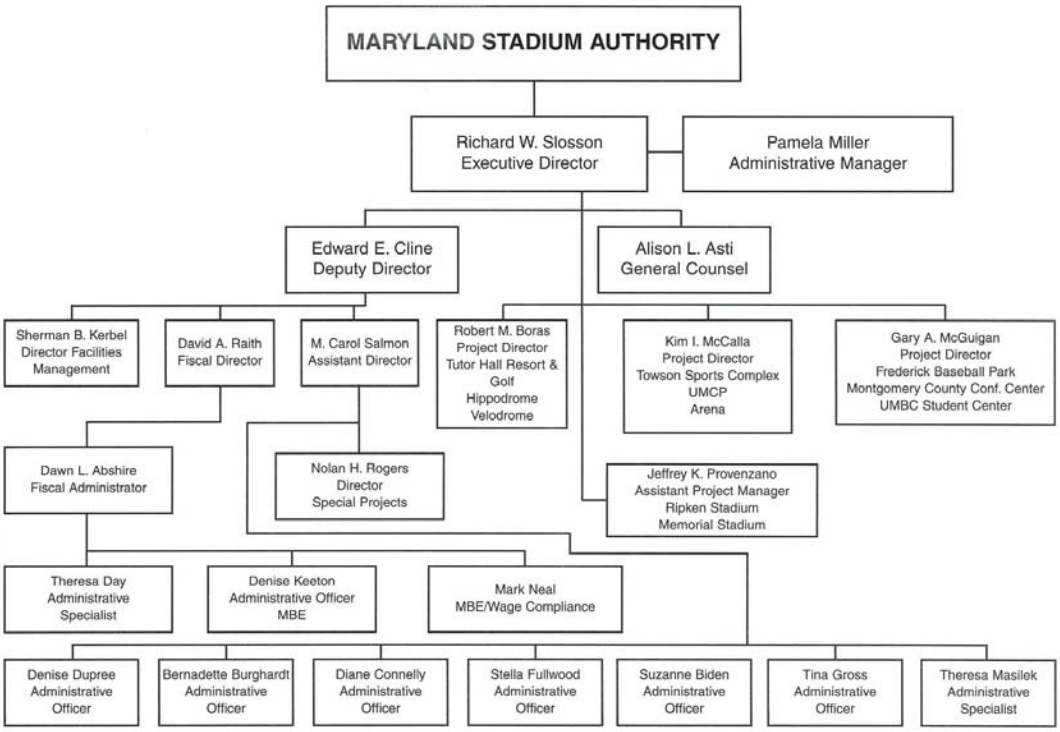
Ferris Baker Watts Foundation. Ms. Oegerle served as Treasurer for Governor Parris N. Glendening's election campaign; as Vice Chairman for Maryland Public Television; as Treasurer to the Committee to Re-Elect Sitting Judges in Prince George's County and as Chairman, Vice Chairman and Treasurer of the Parking Authority of Prince George's County. Ms. Oegerle received a B.A. Degree from the University of Florida and a Masters Degree from the University of Massachusetts.

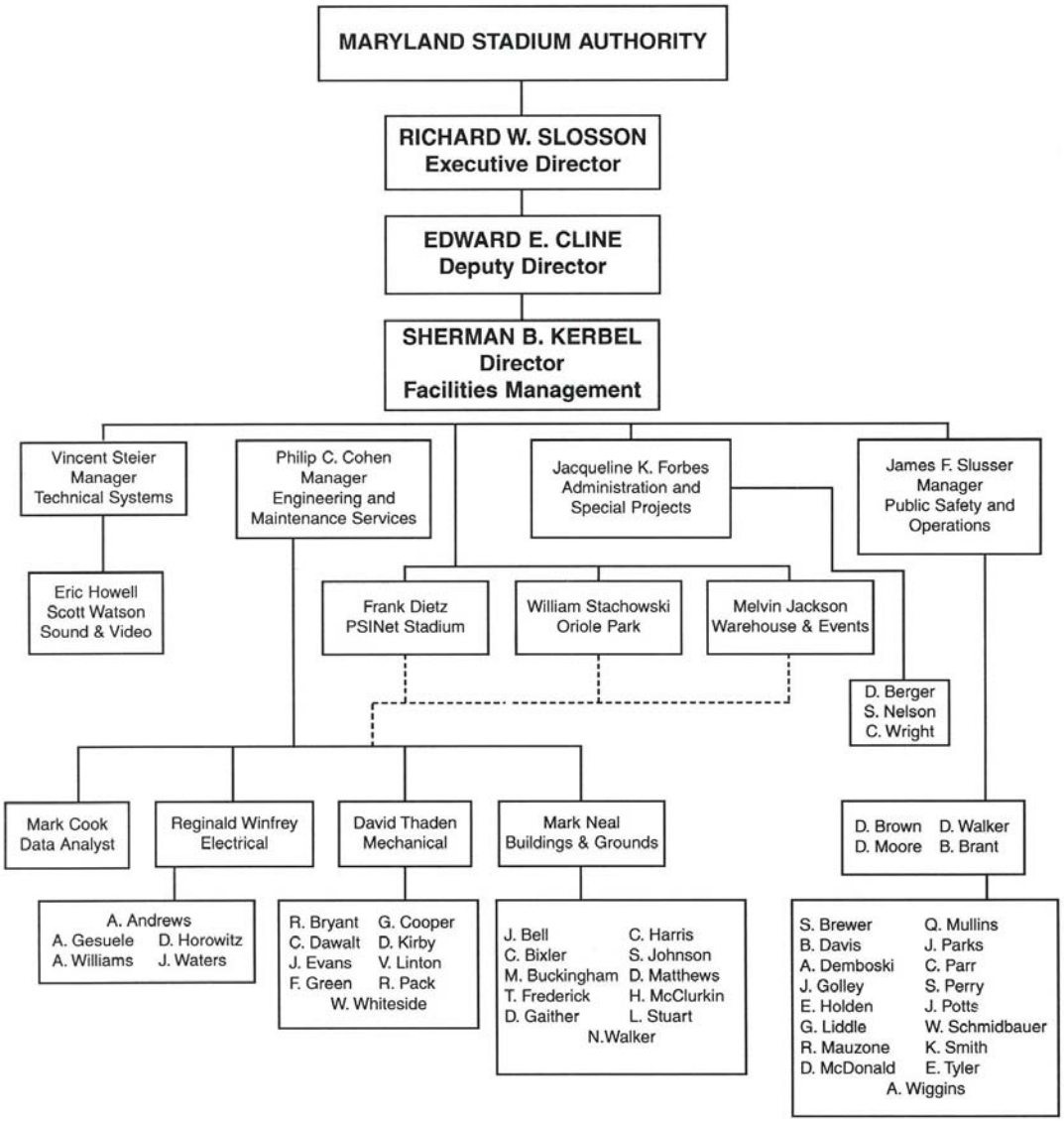
James A. Soltesz

James A. Soltesz was confirmed as a member of the Maryland Stadium Authority on March 23, 2001. Mr. Soltesz is President, CEO and Past Executive Vice President of Loiederman Soltesz Associates. Since joining the firm in 1990, Mr. Soltesz has been responsible for the operation of four corporate offices and serves as Chairman of the Business Development Committee and Principal of the firm's subsidiary, Property Development Consulting Services, which offers advisory services to lending institutions, private investors and developers.

Mr. Soltesz also serves as Life Director of the Maryland National Capital Building Industry Association and has served as Chairman of the Montgomery County Liaison Committee and as Treasurer, Past President and now as Vice President of the Builders Development Guarantee Group. He has served in various capacities with the Chamber of Commerce and other organizations in both Montgomery and Prince George's Counties, worked on the Governor's Transition Team in the area of economic development and business retention and presently serves on the Maryland Department of Transportation's Citizen Advisory Board.

A graduate of Purdue University (B. S. in Civil Engineering), the Georgia Institute of Technology (M.S. in Civil Engineering) and the University of Cincinnati (M.B.A.), Mr. Soltesz is a licensed professional engineer in both Maryland and Florida.


MARYLAND STADIUM AUTHORITY
Richard W. Slosson
Executive Director
Pamela Miller
Administrative Manager
Edward E. Cline
Deputy Director
Alison L. Asti
General Counsel
Sherman B. Kerbel
Director Facilities
Management
David A. Raith
Fiscal Director
M. Carol Salmon
Assistant Director
Robert M. Boras
Project Director
Tutor Hall Resort &
Golf
Hippodrome
Velodrome
Kim I. McCalla
Project Director
Towson Sports Complex
UMCP
Arena
Gary A. McGuigan
Project Director
Frederick Baseball Park
Montgomery County Conf. Center
UMBC Student Center
Dawn L. Abshire
Fiscal Administrator
Nolan H. Rogers
Director
Special Projects
Jeffrey K. Provenzano
Assistant Project Manager
Ripken Stadium
Memorial Stadium
Theresa Day
Administrative
Specialist
Denise Keeton
Administrative Officer
MBE
Mark Neal
MBE/Wage Compliance
Denise Dupree
Administrative
Officer
Bernadette Burghardt
Administrative
Officer
Diane Connelly
Administrative
Officer
Stella Fullwood
Administrative
Officer
Suzanne Biden
Administrative
Officer
Tina Gross
Administrative
Officer
Theresa Masilek
Administrative
Specialist


MARYLAND STADIUM AUTHORITY
RICHARD W. SLOSSON
Executive Director
EDWARD E. CLINE
Deputy Director
SHERMAN B. KERBEL
Director
Facilities Management
Vincent Steier
Manager
Technical Systems
Philip C. Cohen
Manager
Engineering and
Maintenance Services
Jacqueline K. Forbes
Administration and
Special Projects
James F. Slusser
Manager
Public Safety and
Operations
Eric Howell
Scott Watson
Sound & Video
Frank Dietz
PSINet Stadium
William Stachowski
Oriole Park
Melvin Jackson
Warehouse & Events
D. Berger
S. Nelson
C. Wright
Mark Cook
Data Analyst
Reginald Winfrey
Electrical
David Thaden
Mechanical
Mark Neal
Buildings & Grounds
D. Brown D. Walker
D. Moore B. Brant
A. Andrews
A. Gesuele D. Horowitz
A. Williams J. Waters
R. Bryant G. Cooper
C. Dawalt D. Kirby
J. Evans V. Linton
F. Green R. Pack
W. Whiteside
J. Bell C. Harris
C. Bixler S. Johnson
M. Buckingham D. Matthews
T. Frederick H. McClurkin
D. Gaither L. Stuart
N.Walker
S. Brewer Q. Mullins
B. Davis J. Parks
A. Demboski C. Parr
J. Golley S. Perry
E. Holden J. Potts
G. Liddle W. Schmidbauer
R. Mauzone K. Smith
D. McDonald E. Tyler
A. Wiggins

MARYLAND STADIUM AUTHORITY

ADMINISTRATIVE STAFF

Row 1: Pam Miller, Bernadette Burghardt, Denise Keeton, Theresa Masilek, Stella Fullwood, Terry Day, Suzanne Biden

Row 2: Tina Gross, Ed Cline, Alison Asti, Gary McGuigan, Jeff Provenzano, Dawn Abshire, Rick Slosson, Carol Salmon, Denise Dupree, Robert Boras, David Raith, Nolan Rogers

Shutter Shy: Diane Connelly, Kim McCalla

MARYLAND STADIUM AUTHORITY
FACILITIES MANAGEMENT STAFF

Director's Staff

Row 1: Vince Steier, Shelley Nelson, Donna Berger, Carolyn Wright, Mel Jackson

Row 2: Mark Cook, Phil Cohen, Jackie Forbes, Cal Ripken, Sherman Kerbel, Bill Stachowski, Frank Dietz

Security Staff

Row 1: Jerry Parks, Ernie Tyler, Arlene Wiggins, John Potts

Row 2: Jim Slusser, Bill Brant, Chris Parr, Cal Ripken, Steve Perry, Dana Brown, Walt Schmidbauer

Electrical Shop

Row 1: Adam Gesuele, Ray Winfrey, Alvenia Williams
Row 2: David Horowitz, Cal Ripken, Alonzo Andrews

Buildings & Grounds

Row 1: Nathaniel Walker, Darryl Matthews, Lou Stuart, Chris Bixler, Mark Neal

Row 2: Stanley Johnson, Delroy Gaither, Tyrone Frederick. Mary Buckingham, Cal Ripken, Cynthia Harris, Hugh McClurkin, Jimmy Bell

Mechanical Shop

Row 1: James Pack, Francis Green, Dave Kirby
Row 2: Chris Dawalt, Dave Thaden, Cal Ripken, Gil Cooper, William Whiteside

MARYLAND STADIUM AUTHORITY
(A COMPONENT UNIT OF THE STATE OF MARYLAND)

Financial Statements

Years ended June 30, 2001 and 2000 with Report of Independent Auditors

Maryland Stadium Authority

Financial Statements

Years ended June 30, 2001 and 2000

Contents

Report of Independent Auditors....1

Audited Financial Statements

Balance Sheets....2
Statements of Revenues, Expenses and Changes in Retained Earnings....3
Statements of Cash Flows....4
Notes to Financial Statements....5

ERNST & YOUNG

Ernst & Young LLP
One North Charles
Baltimore, Maryland 21201

Phone: (410) 539-7940
www.ey.com

Report of Independent Auditors

To the Board of the
Maryland Stadium Authority

We have audited the accompanying balance sheets of the Maryland Stadium Authority (the Authority), a component unit of the State of Maryland, as of June 30, 2001 and 2000, and the related statements of revenues, expenses, and changes in retained earnings and cash flows for the years 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 audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audits 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Maryland Stadium Authority as of June 30, 2001 and 2000, and the results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

Ernst + Young LLP

September 28, 2001

Maryland Stadium Authority

Balance Sheets

	June 30	
	2001	**2000**
Assets		
Cash and restricted cash	**$ 13,796,853**	$ 1,216,910
Money market mutual fund investments – restricted	**1,318,869**	909,149
Accounts receivable, net of allowance for bad debts	**7,763,208**	4,488,416
Prepaid expenses	**150,000**	–
Interest receivable	**337,910**	263,331
Note receivable	**6,175,909**	6,618,270
Furniture and equipment, net of accumulated depreciation of $665,564 and $548,572	**221,305**	298,623
Capital leases receivable	**285,949,217**	293,491,646
Other capital costs, net of accumulated depreciation of $40,291,141 and $30,932,464	**223,114,372**	228,201,508
Deferred financing costs, net of accumulated amortization of $1,750,774 and $1,304,611	**5,531,996**	5,977,449
Total assets	**$544,359,639**	$541,465,302
Liabilities and retained earnings		
Accounts payable and accrued expenses	**$ 4,182,298**	$ 3,120,978
Interest payable	**2,854,167**	2,183,585
Advances from State Treasurer	**8,515,328**	8,271,727
Project advances	**5,809,905**	1,774,774
Lease revenue bonds payable, net of discount of $113,120 and $119,271	**285,861,880**	293,400,729
Deferred revenue	**16,844,285**	17,994,714
Total liabilities	**324,067,863**	326,746,507
Retained earnings	**220,291,776**	214,718,795
Total liabilities and retained earnings	**$544,359,639**	$541,465,302

See accompanying notes.

Maryland Stadium Authority

Statements of Revenues, Expenses and Changes in Retained Earnings

	Year ended June 30	
	2001	**2000**
Operating revenues:		
Charges for services and sales	**$ 24,800,610**	$ 24,128,427
Other	**890,929**	311,249
	25,691,539	24,439,676
Operating expenses:		
Operating and maintenance of facilities	**28,129,011**	24,928,807
General and administrative	**3,604,369**	2,580,834
Depreciation and amortization	**9,656,110**	9,523,267
	41,389,490	37,032,908
Operating loss	**(15,697,951)**	(12,593,232)
Nonoperating revenues (expenses):		
Investment income	**2,421,316**	708,944
Interest expense	**(20,514,799)**	(20,408,293)
Other	**1,000,000**	1,000,000
Operating loss before transfers	**(32,791,434)**	(31,292,581)
Operating transfers out to primary government	**(2,400,000)**	–
Operating transfers in from local government	**2,250,000**	–
Operating transfers in from primary government	**38,514,415**	27,709,883
Net income (loss)	**5,572,981**	(3,582,698)
Retained earnings at beginning of year	**214,718,795**	218,301,490
Retained earnings at end of year	**$220,291,776**	$214,718,795

See accompanying notes.

Maryland Stadium Authority

Statements of Cash Flows

	Year ended June 30 2001	2000
Cash flows from operating activities		
Operating loss	**$(15,697,951)**	$(12,593,232)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	**9,656,110**	9,523,268
Amortization of deferred revenues	**(1,150,429)**	(267,238)
Amortization of financing fees	**445,453**	208,999
Effect of changes in assets and liabilities:		
Accounts and interest receivable	**(3,424,792)**	3,098,130
Accounts payable and accrued expenses	**(1,061,320)**	(201,299)
Advances from State Treasurer	**243,601**	(929,619)
Project advances	**4,035,131**	(2,432,961)
Net cash used in operating activities	**(4,831,557)**	(3,593,952)
Cash flows from investing activities		
Increase in investments	**(409,720)**	(641,602)
Interest and gain on investments	**2,346,737**	710,253
Proceeds from loans and notes receivable	**442,361**	209,019
Net cash provided by investing activities	**2,379,378**	277,670
Cash flows from capital and related financing activities		
Additions to furniture and equipment	**(45,824)**	(168,518)
Investment in direct financing leases	**7,542,429**	6,897,041
Investment in other capital assets	**(4,445,832)**	(381,262)
Proceeds from notes payable and revenue bonds	**–**	121,380,000
Principal paid on notes payable and revenue bonds	**(7,538,849)**	(128,520,000)
Interest payments	**(19,844,217)**	(20,481,904)
Financing costs	**–**	(2,907,048)
Net cash used in capital and related financing activities	**(24,332,293)**	(24,181,691)
Cash flows from noncapital financing activities		
Operating transfers in from local governments	**3,250,000**	1,000,000
Operating transfers out to primary government	**(2,400,000)**	–
Operating transfers in from primary government	**38,514,415**	27,709,883
Net cash provided by noncapital financing activities	**39,364,415**	28,709,883
Increase in cash and cash equivalents	**12,579,943**	1,211,910
Cash and cash equivalents at beginning of year	**1,216,910**	5,000
Cash and cash equivalents at end of year	**$ 13,796,853**	$ 1,216,910

See accompanying notes.

Maryland Stadium Authority

Notes to Financial Statements

June 30, 2001

1. Purpose

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.

Pursuant to an agreement with Orioles, Inc. (the Orioles), the Authority has financed and constructed a baseball stadium, Oriole Park at Camden Yards, which it owns, operates and leases to the Orioles for thirty full baseball seasons. During the term of the lease, the Orioles are paying rent based on a sharing arrangement based on the percentage of admission, concession, novelty, parking, advertising and other revenues of the Orioles. In addition, the Authority and the City share the ten percent statewide admissions and amusement taxes (80% to the Authority and 20% to the City).

On May 1, 1989, the Authority entered into a lease agreement with the State whereby the State leases the land and all facilities constructed thereon from the Authority in accordance with the provisions of a Master Lease Agreement (the Master Lease) dated May 1, 1989. The State, in turn, subleases the project to the Authority in accordance with the terms of a Sublease Agreement (the Sublease) dated May 1, 1989. Under the terms of the Master Lease, the State pays basic and additional rent payments which are generally equal to the Authority's debt service payments and related financing costs. Under the terms of the Sublease, the Authority remits to the State any excess revenues from the operation and lease of the facility.

Effective April 7, 1992, as established by legislation (Annotated Code 1957, Sections 13-701 through 13-1013 of the Financial Institutions Article), the Authority was given the powers to review and make recommendations on proposed Baltimore City Convention Center Facilities (Baltimore Center), including the expansion and enhancement of the Baltimore Center, with respect to location, purpose, design, function, capacity, parking, costs, funding mechanisms, and revenue alternatives. Under this plan, a separate Baltimore Convention Center Financing Fund has been established. However, no provision of the Act transfers to the Authority the control, management or operation of the Baltimore Convention Center. Under the Comprehensive Plan of Financing (the Plan)

1. Purpose (continued)

submitted by the Authority under Section 13-712.1 of the Annotated Code of Maryland, the State of Maryland contributed $20,000,000 in 1993, $20,000,000 in 1995, $10,000,000 in 1996 and $8,000,000 in 1997 through the sale of general obligation bonds. In order to comply with the Plan, the Authority has issued $55,000,000 Convention Center Expansion Lease Revenue Bonds Series 1994, the debt service for which will be provided by future appropriations from the State, pursuant to the Master Lease. In addition, the City was required to contribute $50,000,000 for the Baltimore Center. At June 30, 1996, all contributions from the City have been received. Upon completion of the Baltimore Center in 1997, it was turned over to the City for operation, but leased jointly by the City and the Authority as tenants in common, as long as the Convention Center Expansion Lease Revenue Bonds are outstanding. Commencing with the completion of the Baltimore Center through 2008, the Authority shall fund two-thirds of any operating deficiencies of the Baltimore Center and shall contribute $200,000 per year to a capital improvement fund.

Effective in 1995, the Authority was assigned responsibility for constructing an expansion of the Convention Center in Ocean City (Ocean City Center). The expansion cost approximately $32,000,000 and is financed through a combination of funding from Ocean City and the Authority. Under the Ocean City Comprehensive Plan of Financing as required under Section 13-712 of the Finance Institutions Article of the Annotated Code of Maryland, the Authority was required to contribute approximately $17,340,000 to the project. In October 1995, the Authority issued $17,340,000 in revenue bonds to satisfy its funding requirement. The debt service of the revenue bonds is being provided for by future appropriations by the State, pursuant to the Master Lease. Upon its completion, the Ocean City Center was turned over to Ocean City and will be leased jointly by Ocean City and the Authority as tenants in common, as long as the revenue bonds are outstanding. Commencing with the completion of the Ocean City Center through 2015, the Authority shall contribute one-half of any annual operating deficiencies and $50,000 per year to a capital improvement fund.

Pursuant to a Memorandum of Agreement (Memo) between the Authority and the entities formerly known as Cleveland Browns, Inc. and BSC, LLC, which collectively are referred to as the Ravens, the Authority designed and constructed a state-of-the-art, open-air football stadium at Camden Yards. The cost of the football stadium was $229,000,000, of which $149,000,000 will be funded by the Authority, $57,000,000 will be funded from lottery proceeds, and $23,000,000 will be funded from the Ravens. In 1996, the Authority issued $87,565,000 Sports Facilities Lease Revenue Bonds, Series 1996 to begin funding this project. In 1997, the Authority issued $4,640,000 Sports

1. Purpose (continued)

Facilities Lease Revenue Bonds, Series 1997, as additional funding for the project. The debt service for these revenue bonds is being provided through future appropriations by the State, pursuant to the Master Lease. The project was completed in July 1998, and the Authority has agreed to lease the football stadium to the Ravens for thirty full football seasons.

Effective June 1, 1996, the Authority was authorized to provide for the development and construction of the Montgomery County Conference Center. The development of the Montgomery County Conference Center is expected to cost $27,500,000. The Authority has committed to issue $17,604,000 in bonds for the project of which $17,304,000 will be used for capital construction costs. Montgomery County is required to contribute $10,196,000 toward capital construction costs prior to the Authority's issuance of its bonds to fund the project. As of June 30, 2001, the Authority has not issued any bonds, and no construction costs have been incurred.

2. Summary of Significant Accounting Policies

The Authority is a component unit of the State of Maryland. The Authority is governed by a Board which is appointed by the Governor of the State of Maryland with the advice and consent of the Maryland State Senate.

The financial statements of the Authority are presented as an enterprise fund and are prepared on the accrual basis.

Application of FASB Pronouncements

The Authority elected not to apply any FASB statements and interpretations issued after November 30, 1989.

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 at year-end.

2. Summary of Significant Accounting Policies (continued)

Cash Equivalents

For purposes of the statement of cash flows, the Authority considers all cash on deposit with the Treasury or financial institutions to be cash equivalents.

Fixed Assets

Furniture and equipment are stated at cost and depreciated using the straight-line method over three to five years.

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.

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.

Any costs incurred in the construction or expansion of the stadiums and convention centers over the capital lease receivable are recorded as other capital costs. Other capital costs are depreciated on the straight-line basis over the lesser of the estimated useful life of the underlying asset leased to the State or the remaining term of the debt issued to finance the underlying assets leased to the State.

Project Advances

The Authority is overseeing projects for various state universities and certain other community rejuvenation efforts. 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. Total advances during the year ended June 30, 2001 and 2000 were approximately $4,350,000 and $19,700,000 respectively. Total disbursements were approximately $2,100,000 and $12,000,000, respectively.

2. Summary of Significant Accounting Policies (continued)

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 anti-trust 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.

Reclassifications and Corrections

Certain 2000 balances have been reclassified to conform with the 2001 presentation. In addition, the beginning fiscal year 2000 retained earnings were increased and accounts payable balances as of June 30, 2000 were decreased to reflect a $2,374,377 adjustment. The adjustment corrects an error made in fiscal 1999 that would have increased the results of operations in that year. The adjustment had no effect on the results of operations for any of the periods presented in the financial statements.

Pending Change in Accounting Principles

In 1999, the GASB issued Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments." Statement No. 34 establishes significant new financial reporting requirements for state and local governments. The Authority is required to adopt Statement No. 34 for its financial statements for the year ending June 30, 2002.

The Authority continues to work on the varied and complex analysis required to estimate the financial statement impact of this new pronouncement.

3. Deposits and Investments

At June 30, 2001, 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 internal cash pool functions similar to a mutual fund in the sense that each state agency holds a share of the pool; thus the Authority's share of this pool cannot be categorized in accordance with GASB Statement No. 3. The State Treasurer's Office invests pooled cash balances on a daily basis. The investment consists of direct purchases of securities or repurchase agreements. The carrying value of cash on deposit with the Treasurer at June 30, 2001 and 2000 was $13,445,204 and $1,133,184, respectively. All amounts held on deposit by the Treasurer at June 30, 2001 and 2000 were restricted.

The carrying value of other deposits at June 30, 2001 and 2000 were $351,649 and $83,726 and the associated bank balances were $351,649 and $83,726. Those balances are covered by federal depository insurance.

The Authority had money market mutual funds of $1,318,869 and $909,149 at June 30, 2001 and 2000 that are reflected on the balance sheet at fair value and held by the Bond Trustee. Proceeds to purchase these marketable securities were derived from various bond issues and any proceeds from the sale of these marketable securities are restricted to the purpose of the originating bond issue. Allowable investments under the agreement with the Bond Trustee consist of government obligations, U.S. agency obligations, bonds or other obligations of any state of the United States of America, or of any local government unit or any political subdivision of any such state, certificates of deposit, and repurchase agreements. All investment decisions are made by the Treasurer. The investments in money market mutual funds are not categorized in accordance with Governmental Accounting Standards Board (GASB) Statement No. 3.

4. Income From State and Municipal Sources

Operating transfers in 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.

4. Income From State and Municipal Sources (continued)

During 2001, Baltimore City made an annual contribution of $1,000,000 per the Annotated Code establishing the Authority. The City funds are invested with the State Treasurer for the purpose of retiring the Authority's debt incurred to construct Oriole Park at Camden Yards. In addition, the Authority received from the City an additional $2,250,000 during fiscal 2001 to fund its portion of the Hippodrome project.

5. Accounts Receivable

Accounts receivable consists of the following:

	June 30	
	2001	**20000**
Baltimore Orioles	**$3,337,581**	$2,967,068
Admission Taxes	**2,997,948**	–
Other	**1,465,826**	1,554,698
Less allowance for bad debts	**(38,147)**	(33,350)
	$7,763,208	$4,488,416

6. 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 thirty-year period and furnishing and renovation costs over a five-year period with interest at 7.75%, which will be adjusted on April 1, 2002 and April 1, 2012 to the prime rate of interest plus 1.75%.

7. Capital Leases Receivable

At June 30, 2001 the capital leases receivable consists of the following:

Total minimum lease payments to be received	$504,809,824
Less unearned interest income	(218,834,824)
Principal balance on outstanding debt	285,975,000
Less liquid assets to be used in construction	(25,783)
	$285,949,217

7. Capital Leases Receivable (continued)

Future minimum lease payments to be received as of June 30, 2001 were as follows:

2002	$ 25,762,254
2003	25,733,620
2004	26,558,850
2005	25,497,794
2006	26,347,251
2007 and thereafter	374,910,055
	$504,809,824

8. Bonds Payable

Bonds payable consist of the following:

	June 30	
	2001	**2000**
Revenue bonds payable:		
1994 Series: Issued $55,000,000 in September 1994 at 5.25% to 5.88% per annum, due in varying installments through December 15, 2014.	**$ 46,915,000**	$ 49,085,000
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.	**15,405,000**	16,080,000
1996 Series: Issued $87,565,000 in April 1996 at rates varying from 5.30% to 5.80%, due in varying installments through March 1, 2026.	**84,495,000**	86,070,000
1997 Series: Issued $4,640,000 in December 1997 at 4.66% per annum, due in varying installments through June 15, 2008.	**3,440,000**	3,840,000
1998 Series A: Issued $16,3000,000 in December 1998 at a variable rate, due in varying installments through December 15, 2019.	**16,300,000**	16,300,000

8. Bonds Payable (continued)

	June 30 2001	June 30 2000
1998 Series B: Issued $765,000 in December 1998 at a variable rate, due in varying installments through December 15, 2003.	**765,000**	765,000
1999 Series: Issued $121,380,000 in December 1999 at a variable rate, due in varying installments through December 15, 2019.	**118,655,000**	121,380,000
Total revenue bonds payable	**285,975,000**	293,520,000
Less unamortized discount:		
(Includes unamortized discount relating to the 1995 and 1996 revenue bonds payable of $16,818 and $96,302 and $18,064 and $101,207 as of June 30, 2001 and 2000, respectively.)	**(113,120)**	(119,271)
	$285,861,880	$293,400,729

On September 1, 1994, the Authority issued Convention Center Expansion Lease Revenue Bonds, Series 1994, to finance, together with certain other funds, the expansion and renovation of the Baltimore Convention Center. Principal and interest on the Series 1994 Bonds are payable primarily from the basic rent to be paid by the State under the Master Lease. Interest is payable semiannually at rates varying from 5.25% to 5.875% per annum. The Bonds mature serially in varying amounts through December 15, 2014.

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 5.375% 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 April 15, 1996, the Authority issued Sports Facilities Lease Revenue Bonds, Series 1996, to finance, together with certain other funds, the construction of a football stadium at Camden Yards. Principal and interest are payable primarily from the basic rent to be

8. Bonds Payable (continued)

paid by the State under the Master Lease. Interest is payable semiannually at rates varying from 5.30% to 5.80% per annum. This issue contains $34,855,000 of serial bonds that mature in varying amounts through March 1, 2015 and $11,005,000, $17,860,000 and $22,350,000 term bonds that mature March 1, 2018, March 1, 2022, and March 1, 2026, respectively. These term bonds are subject to mandatory sinking fund payments beginning March 1, 2016.

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 semi-annually at 4.66% per annum.

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.

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.

Debt service requirements subsequent to June 30, 2001, are as follows:

Year ending June 30	Principal Maturities	Interest	Total
2002	$ 7,980,000	$ 17,782,254	$ 25,762,254
2003	8,440,000	17,293,620	25,733,620
2004	9,815,000	16,743,850	26,558,850
2005	9,575,000	15,922,794	25,497,794
2006	10,655,000	15,692,251	26,347,251
Thereafter	239,510,000	135,400,055	374,910,055
	$285,975,000	$218,834,824	$504,809,824

9. Deferred Revenue and 1999 Refunding

On October 1, 1993, the Authority entered into certain Interest Rate Swap Agreements, a liquidity guarantee agreement, and certain forward bond purchase and remarketing agreements for the purpose of realizing cost savings associated with the refunding of the Series 1989 C Notes and the Series 1989 D Bonds fixed rate debt (the 1993 Swap Agreement). At the call dates, December 15, 1998 and December 15, 1999 for Series 1989 C Notes and Series 1989 D Bonds, respectively, the Authority extinguished the existing fixed rate debt with the proceeds from newly issued variable rate debt. A liquidity guarantee agreement was entered into which guarantees the Authority liquidity for the variable rate bonds, at a fixed fee, for the life of the bonds. A forward bond purchase and remarketing agreement was also entered into which guarantees the purchase and remarketing of the variable rate bonds.

For the above agreements, the Authority is making payments equal to the debt service on the existing fixed rate debt. The Authority receives variable rate payments equal to the payments due on the new debt.

On June 10, 1998, the Authority entered into a similar swap agreement for the Series 1994 and Series 1996 Bonds (the 1998 Swap Agreement). At the call dates, December 15, 2006 and March 31, 2007 for the Series 1994 and 1996 Bonds, respectively, the Authority has agreed to issue variable rate debt sufficient to extinguish the existing fixed rate debt in the amount of $104,350,000. All issue costs of the new variable rate debt and premiums to call the existing debt will be paid by the Authority.

The Authority received $15,522,129 and $3,203,500 on April 1, 1996 and June 10, 1998, respectively, pursuant to the above swap agreements as premiums on the swap agreements. These premiums have been recorded as deferred revenues and are being amortized over the life of the corresponding variable rate debt. The swap premiums were used towards the cost of constructing the football stadium. In addition, semi-annual liquidity fees were required for the 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.

As noted above, on December 9, 1999, the Authority issued, in accordance with the 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

9. Deferred Revenue and 1999 Refunding (continued)

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.

10. Operating Leases

The Authority has leased certain office space in the Camden Yards Warehouse to various tenants with terms ranging from 3 years to 16 years 9 months. The future minimum lease rentals to be received on noncancelable operating leases as of June 30, 2001 are as follows:

Fiscal Year	Amounts
2002	$ 2,728,503
2003	2,543,781
2004	2,403,750
2005	2,188,368
2006	844,166
Thereafter	514,663
Total	$11,223,231

Lease rental income for the year ended June 30, 2001 and 2000 was $2,749,231 and $2,648,381 respectively.

The Authority entered into various leases for electric generation equipment, stadium chiller systems, and scoreboard devices. The leases commenced during 1998 and 1999 with the first lease payment being due December 30, 1998. The leases expire on various dates through June 15, 2007. Noncancelable lease payments due under these operating lease agreements are as follows:

Fiscal Year	Amounts
2002	$ 6,893,583
2003	4,322,982
2004	1,661,876
2005	1,604,892
2006	1,604,892
Thereafter	5,402,349
Total	$21,490,574

10. Operating Leases (continued)

Lease expense for the year ended June 30, 2001 and 2000 was $3,814,851 and $3,856,937, respectively.

11. Retirement Plans

Maryland State Retirement and Pension System

The Authority contributes to the Retirement and Pension System of Maryland (the System), established by the State to provide pension benefits for State employees of 123 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 is considered part of the state's financial reporting entity and is not considered part of the Authority's reporting entity. 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.

Plan Description

The System, which is administered in accordance with article 73B of the Annotated Code of Maryland, consists of several plans that are managed by the Board of Trustee for the System. All State employees hired into positions that are permanently funded and employees of the participating entities are eligible for coverage by the plan.

Funding Policy

The Authority's required contribution is based upon actuarial valuations. Effective July 1, 1980, in accordance with the laws governing the System, all benefits of the System are funded in advance. 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, 2001, 2000, and 1999 of $203,037, $236,552 and $214,383, respectively.

11. Retirement Plans (continued)

Post Retirement Benefits

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. The Authority's cost of retirees' health care benefits is expensed when paid, and totaled $84,103 and $85,873 for the years ended June 30, 2001 and 2000, respectively.

12. Commitments

In 1995, approximately $235,000,000 in bonding capacity was set aside for the Camden Yards Sports Complex. Approximately $90,000,000 of this amount was unused. This money was set aside for the City of Baltimore to find a football team. If the City did not obtain a team by December 31, 1995, then the money was to be distributed into a public school construction fund. In November 1995 the City secured the Baltimore Ravens football team. As a result, a portion of the money that was set aside for the construction of public schools in the Baltimore area was now going to be used for the construction of the football stadium. Consequently, the General Assembly took the stance that, because the Ravens will benefit from being in Baltimore, the Authority should contribute an amount to the State Public School Construction Fund. Pursuant to legislation enacted effective April 1996, the Authority has committed to pay $24,000,000 into the Public School Construction Fund over 10 years, or $2,400,000 per year, beginning in fiscal year 2001. The Authority has agreed to pay the annual amount in $200,000 monthly increments. The Authority made its first installment of $2,400,000 during fiscal 2001. This amount is reported as "transfers out to primary government" in the statement of revenues, expenses and changes in retained earnings.

13. 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.

13. Litigation (continued)

Arbitration with the Orioles

As part of the lease agreement with the Orioles, there is a parity clause that gives the Orioles the right to "fairly comparable lease terms" as the lease terms of the Ravens. In fiscal 2000, the Orioles initiated an arbitration proceeding pursuant to its lease with the Authority alleging a lack of parity between the Oriole's lease agreement and the Authority's separate lease agreement with the Ravens. The Orioles' arbitration demands set forth eleven claims of disparities between the Authority/Orioles lease and the Authority/Ravens lease. The Orioles sought in excess of $81.8 million in rent credits as retroactive relief. In addition, the Orioles sought a capital infusion to build new skyboxes and install new audio and video systems, compensation for naming rights, future rents from Authority warehouse tenants, relief from a loan obligation to the Authority and certain tax benefits.

On July 6, 2001 the arbitration panel issued a ruling and awarded the following relief to the Orioles: (1) The right to share in revenues from future non-baseball seating bowl events in the ballpark; (2) The requirement that the Authority make a one-time $10,000,000 payment to the existing Ballpark Improvements Fund from which funds are expended solely for ballpark improvements with the joint approval of the Authority and the Orioles; and (3) The right to sell the name of the ballpark.

The Authority intends to issue bonds in an amount sufficient to make the payment as required. The Authority believes that it is appropriate to use bond funds for the $10,000,000 payment as the Improvements Fund may be used only to improve public areas of the stadium. If the Authority is unable to sell Bonds to fund the Improvements Fund, then it intends to seek a legislative appropriation.

Property Dispute

During 2001, in conjunction with the construction of the Hippodrome Performing Arts Center (the Hippodrome), the Authority acquired property pursuant to its quick-take condemnation power. The Authority paid what it believed to be fair market value for the property. The owner of the property acquired by the Authority disputes the Authority's assessment of the property's fair market value. A mediation session was scheduled for October 2001 to resolve the assessment of fair market value. However, no agreement was reached and a trial is scheduled for early 2002. It is not possible at this time to evaluate the outcome or to estimate the possible cost in the event the Authority's assessment of the property's fair market value was incorrect.