

**Maryland Stadium Authority
ELIGIBILITY CRITERIA FOR
PAYMENT OF CERTAIN DEBTS OF
THE SPORTS AND
ENTERTAINMENT CORPORATION
OF MARYLAND POLICY**

Responsible Operating Unit: Finance Division.

Responsible Officer: Dawn Abshire

Effective Date: Upon approval of the Board.

I. PURPOSE AND SCOPE OF POLICY

WHEREAS the Sports and Entertainment Corporation of Maryland (“SECMD”) is an affiliated foundation established pursuant to § 10-612 of the Economic Development Article (“EC”), Annotated Code of Maryland; and

WHEREAS SECMD was formed as a fundraising entity for the purpose of supporting host organizing committees to support Maryland’s ability to host, market, manage and promote sports and entertainment events for the benefit of the State; and

WHEREAS as a private, non-profit 501(c)(3) corporation, it is separate and distinct from both the Maryland Stadium Authority (MSA), an instrumentality of the State, and Maryland Sports, the office within MSA that serves as the official sports commission for the State; and

WHEREAS pursuant to EC § 10-612(e) SECMD (i) may not be considered an agency or instrumentality of the State or a unit of the Executive Branch for any purpose; and (ii) a financial obligation of SECMD may not be considered a debt or an obligation of the State, MSA or Maryland Sports; and

WHEREAS the Affiliation Agreement between SECMD and MSA was premised upon SECMD’s efforts to raise funds to attract and support major sports and entertainment events in the State; and

WHEREAS SECMD acknowledges and agrees that MSA has no legal responsibility for SECMD’s debts; and

WHEREAS on May 5, 2026, pursuant to EC § 10-612(h), the Authority approved a \$400,000 grant (the “Grant”) to SECMD to assist with partial payments of certain costs SECMD incurred in connection with the Maryland 5 Star at Fair Hill and the Maryland Cycling Classic (the “Eligible Expenses”); and

WHEREAS the Grant, along with an anticipated additional \$1.5 million appropriation (the “Appropriation”) authorized by the General Assembly for fiscal year 2026, is unlikely to be sufficient to satisfy the Eligible Expenses. The Grant and the Appropriation are together the “Available Funds.”

II. ELIGIBLE EXPENSES

A. Only the following expenses shall be eligible for payment from Available Funds.

- (a) Expenses incurred for services or products provided in connection with the 2025 Maryland 5 Star at Fair Hill (the “5 Star”) or the 2025 Maryland Cycling Classic (the “MCC” and with the 5 Star, the “Event”). If there are funds remaining after paying the eligible 2025 5 Star and MCC vendors, vendors that have provided adequate supporting documents’ for services rendered in prior year 5 Star or MCC could receive payment.
- (b) Eligible Expenses are up to the *principal* amount only due under a properly submitted invoice as described in (d) below and *do not* include late fees, interest, penalties, or future anticipated revenue.
- (c) Only expenses documented on an invoice received by the Authority as of June 20, 2026 shall be eligible for payment under this policy. Revised invoices that (i) increase the amount due; (ii) amend the description of the service or products provided; or (iii) amend the date(s) set forth in the original invoice shall not be eligible for payment under this policy.
- (d) Invoices must include a description of the services or products provided, the date of delivery, a copy of the contract between the SECMD and the vendor (if available), the vendor’s tax identification number, and amount of each service provided.
- (e) The Authority reserves the right to request additional information from a vendor to determine if an invoice is eligible for payment.

B. Payment Priority

Available Funding shall be prioritized for payment of Eligible Expenses to non-governmental entities.

III. PAYMENT PROCEDURES

Generally, the Finance Division will apply the following procedures for payments of Eligible Expenses from Available Funds:

- (a) Payments for Eligible Expenses shall not begin until the Authority confirms the Appropriation has occurred and those funds are available to the Authority for the stated purpose.
- (b) Payments for Eligible Expenses are subject to Available Funds and shall be made first from amounts remaining from the Appropriation, followed by the Grant.
- (c) Confirm the invoice meets the criteria set forth under II above.
- (d) Identify the principal amount due.
- (e) Keep a log of all payments made that includes:
 - i. the name of the vendor;
 - ii. the date of the invoice;
 - iii. the total amount of the invoice;
 - iv. the amount paid;
 - v. the Event to which the invoice applied; and
 - vi. the date payment was made or submitted to the STO.
- (f) Payment of Eligible Expenses should be completed by October 31, 2026, after which no further payments are authorized unless additional funds are made available and approved by the Authority.

V. INSUFFICIENT AVAILABLE FUNDS

- (a) If there are insufficient Available Funds to pay Eligible Expenses in accordance with Section IV, the amounts paid may be reduced as necessary to ensure the total disbursement by MSA does not exceed Available Funds.
- (b) Any unpaid balance of an Eligible Expense shall not be considered due or payable unless additional funding is made available and approved by the Authority.

VI. REPORT TO THE AUTHORITY

After all payments are made, the Finance Division shall provide a final report to the Authority summarizing the information from the log required under III (e) and include how much if any Available Funds are remaining.