

A RESOLUTION PERTAINING TO APPROVAL OF AND AUTHORIZATION FOR THE PRESIDENT OF THE BOARD TO EXECUTE, ON BEHALF OF THE BOARD, AN AGREEMENT WITH CALVERT CLIFFS NUCLEAR POWER PLANT, LLC FOR THE PAYMENT IN LIEU OF REAL AND PERSONAL PROPERTY TAXES

WHEREAS, Section 7-514 of the Maryland Annotated Code, Tax - Property Article, authorizes the governing body of a county to enter into an agreement with the owner of a facility for the generation of electricity for a negotiated payment in lieu of property taxes;

WHEREAS, Calvert Cliffs Nuclear Power Plant, LLC is the owner of a facility for the generation of electricity located in Calvert County, Maryland; and

WHEREAS, the Board of County Commissioners of Calvert County and Calvert Cliffs Nuclear Power Plant, LLC desire to enter into an agreement for the payment in lieu of real and personal property taxes that in the absence of an agreement would be due and payable annually by Calvert Cliffs Nuclear Power Plant, LLC.

NOW, THEREFORE, BE IT RESOLVED, by the Board of County Commissioners of Calvert County, Maryland, that pursuant to said State statute, the real and personal property owned by Calvert Cliffs Nuclear Power Plant, LLC located in Calvert County and identified in the attached agreement shall be exempt from taxation;

BE IT FURTHER RESOLVED, that Calvert Cliffs Nuclear Power Plant, LLC shall make a payment to the Board of County Commissioners in lieu of real and personal property taxes as more fully set forth in an agreement to be executed by the parties, which agreement shall be in substantially the same form as attached hereto;

BE IT FURTHER RESOLVED, that the terms and conditions of the payment in lieu of taxes shall be set forth in a written agreement to be entered into between the Board of County Commissioners and Calvert Cliffs Nuclear Power Plant, LLC, which agreement shall be in substantially the same form as attached hereto;

BE IT FURTHER RESOLVED, that if any of the recitals or provisions of this resolution contradict, in any way, the terms of the agreement to be signed by the parties, the agreement shall govern;

BE IT FURTHER RESOLVED, that the President of the Board of County Commissioners is hereby authorized to execute a written agreement with Calvert Cliffs Nuclear Power Plant, LLC in the name of and on behalf of the Board in substantially the form attached hereto; and

BE IT FURTHER RESOLVED, by the Board of County Commissioners, that this Resolution shall be effective upon recordation without publication of a fair summary.

DONE, this 20th day of August, 2024, by the Board of County Commissioners of Calvert County, Maryland, sitting in regular session.

SIGNATURES ON FOLLOWING PAGE

Aye: County Commissioners Hance, Grasso, Hart and Ireland
 Nay: None
 Absent/Abstain: Commissioner Cox (abstaining pursuant to Ethics Commission advice)

ATTEST:

**BOARD OF COUNTY COMMISSIONERS
OF CALVERT COUNTY, MARYLAND**

Katie Brittain
 Katie Brittain, Clerk

Earl Hance
 Earl F. Hance, President

Catherine M. Grasso
 Catherine M. Grasso, Vice-President

Approved for form and legal
sufficiency:

ABSTAINED
Mark C. Cox Sr.

John B. Norris, III
 John B. Norris, III, County Attorney

Mike Hart
 Mike Hart

Todd Ireland
 Todd Ireland

Received for Record.....8/21....., 2024
 at 3:09.....o'clock.....P.....M. Same day
 recorded in Liber KPS No. 179
 Folio 281.....COUNTY COMMISSIONERS
 ORDINANCES AND RESOLUTION.

Garry P. Smith

BK 0074PG0283

**THE BOARD OF COUNTY COMMISSIONERS
OF
CALVERT COUNTY, MARYLAND**

AND

CALVERT CLIFFS NUCLEAR POWER PLANT, LLC

PAYMENT IN LIEU OF TAX AGREEMENT

FOR THE

**CALVERT CLIFFS UNIT 1 AND UNIT 2
NUCLEAR POWER PLANT**

DATED AS OF

_____, 2024

**Payment in Lieu of Tax Agreement between
The Board of County Commissioners of Calvert County, Maryland**

and

Calvert Cliffs Nuclear Power Plant, LLC

This **PAYMENT IN LIEU OF TAXES AGREEMENT**, dated as of the ___ day of _____, 2024 (the "**Agreement**"), by and between the **BOARD OF COUNTY COMMISSIONERS OF CALVERT COUNTY**, a body corporate and politic under the laws of the State of Maryland (the "**County Board**"), and **CALVERT CLIFFS NUCLEAR POWER PLANT, LLC**, a Maryland limited liability company (the "**Company**") (the Company and the County Board are referred to herein as the "**Parties**").

WITNESSETH:

WHEREAS, Section 7-514 of the Maryland Tax - Property Article authorizes the governing body of a county to enter into an agreement with the owner of a facility for the generation of electricity for a negotiated payment in lieu of personal and County real property taxes;

WHEREAS, Section 7-514 of the Maryland Tax - Property Article further provides that for the term specified in the payment in lieu of property tax agreement that the owner shall pay to the county a specified amount each tax year in lieu of the payment of county real and personal property tax and that all or a specified part of the real and personal property at the facility shall be exempt from county property tax for the term of the agreement;

WHEREAS, the Company owns a nuclear power plant, Calvert Cliffs Unit 1 and Unit 2 located in Calvert County, Maryland (the "**County**") (as further defined below in Article 1, "Calvert Cliffs 1 & 2"):

WHEREAS, the Parties desire to enter into this Agreement to provide for payment of a specified amount each tax year in lieu of the County property taxes imposed on the personal property and real property owned by the Company comprising Calvert Cliffs 1 & 2; and

WHEREAS, pursuant to the authority granted in Section 7-514 of the Maryland Tax-Property Article, the County Board has passed a County Resolution (as defined below in Article I) authorizing the County Board to enter into this Agreement.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I DEFINITIONS

For all purposes of this Agreement, defined terms indicated by the capitalization of the first letter of such term shall have the meanings specified herein except as otherwise expressly provided for herein or as the context hereof otherwise requires.

"Agreement" has the meaning set forth in the introductory paragraph of this Agreement.

"Calvert Cliffs 1 & 2" means the buildings, structures, land improvements, other Real Property and land comprised of the Parcels, together with any Personal Property located therein or thereon.

"Company" has the meaning set forth in the introductory paragraph of this Agreement.

"County" means Calvert County, Maryland.

"County Board" has the meaning set forth in the introductory paragraph of this Agreement.

"County Resolution" means Resolution No. _____ adopted by the County Board on [_____], to provide for exemption of the Calvert Cliffs 1 & 2 Personal Property and the Real Property from a) general and special *ad valorem* levies and taxation, and b) special assessments, and approving the County Board's execution of this Agreement.

"DMP" means the identification number of the land parcels owned by the Company based on the district, map and parcel numbers (and, where applicable, lot number) as set forth on the Maryland State Department of Assessments and Taxation assessment notices dated December 28, 2023 (and, as to Parcel DMP #01-35-9, January 30, 2024).

"Effective Date" means July 1, 2023.

"Expiration Date" has the meaning set forth in Section 3.1 of this Agreement.

"Fixed Amount" has the meaning set forth in Section 3.3 of this Agreement.

"Parcels" means the Real Property located in the County and identified as Parcel DMP #01-28-258, Parcel DMP #01-35-8, Parcel DMP #01-35-9, Parcel DMP #01-40-26 (lot 3), and Parcel DMP #01-40-26 (lot 4).

"Parties" has the meaning set forth in the introductory paragraph of this Agreement.

"Permanent Cessation of Operations" means one or both of the following has occurred: (i) the Company notifies the Nuclear Regulatory Commission that the Company intends to permanently cease operations of one or both of the Units, and the Company ceases such operations;

or (ii) the Nuclear Regulatory Commission or other regulatory authority permanently revokes the Company's license or authorization to operate one or both of the Units.

"Personal Property" means the property classified by SDAT as personal property at Calvert Cliffs 1 & 2 subject to personal property taxation with SDAT Tax ID Number W13270350-230774 including, without limitation, vehicles, computers, furniture, fixtures, tools, materials, supplies, nuclear fuel, reactors, steam generators, turbines, electric generators and all other machinery and equipment that is used in the business of generating and transmitting electricity from Calvert Cliffs 1 & 2.

"PILOT" means payment in lieu of tax.

"PILOT Payments" has the meaning set forth in Section 3.3 of this Agreement.

"Real Property" means the property classified by SDAT as real property at Calvert Cliffs 1 & 2 subject to real property taxation, including, without limitation, the Parcels, all buildings, structures, land, improvements, fixtures, appurtenances, easements, accessory structures, and other real property located on and relating to the Parcels.

"SDAT" means the State of Maryland Department of Assessments and Taxation or any successor department or agency, and, with respect to Real Property, includes the Supervisor of Assessments for Calvert County, or successor office.

"State" means the State of Maryland.

"Tax Year" shall mean the County's fiscal year commencing on July 1 in any calendar year and terminating on June 30 of the following calendar year.

"Temporary Cessation of Operations" means one or both of the following has occurred: (i) the Company temporarily ceases operations of one or both of the Units for at least six months; or (ii) the Nuclear Regulatory Commission or other regulatory authority temporarily revokes or suspends the Company's license or authorization to operate one or both of the Units for at least six months.

"Unit(s)" shall mean, when used in the singular, operating unit 1 or 2 at Calvert Cliffs 1 & 2, or, when used in the plural, both operating units 1 and 2.

ARTICLE II REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations and Warranties.

The Company hereby represents and warrants to the County Board that, as of the date of this Agreement:

(a) it is duly organized, validly existing, and in good standing under the laws of the State in which it is formed and has requisite authority to own its property and assets and conduct its business as presently conducted and as proposed to be conducted under this Agreement;

(b) it has the power and authority to execute, deliver, and carry out all applicable terms and provisions of this Agreement;

(c) all necessary action has been taken to authorize the execution, delivery, and performance of this Agreement, and this Agreement constitutes its legal, valid, and binding obligation enforceable against it in accordance with its terms;

(d) no governmental approval is required for the valid execution, delivery, and performance under this Agreement by the Company, except such as has been duly obtained or made;

(e) the execution and delivery of this Agreement, the performance of the Company's obligations in connection with the transaction contemplated hereby, and the fulfillment of the terms and conditions hereof will not (i) conflict with or violate any provision of its charter, certificate of organization, limited liability company agreement, or bylaws; (ii) conflict with, violate, or result in a breach of any applicable law; or (iii) conflict with, violate, or result in a breach of or constitute a default under or result in the imposition or creation of any mortgage, pledge, lien, security interest, or other encumbrance under this Agreement or under any term or condition of any mortgage, indenture, or any other agreement or instrument to which it is a party or by which it or any of its properties or assets are bound;

(f) there is no action, suit, or proceeding, at law or in equity, or official investigation before or by any governmental authority pending or, to its knowledge, threatened against it, wherein an anticipated decision, ruling, or finding would result in a material adverse effect on its ability to perform its obligations under this Agreement or on the validity or enforceability of this Agreement; and

(g) the conduct of its business is in compliance with all applicable governmental approvals as to which a failure to comply, in any case or in the aggregate, would result in a material adverse effect on its ability to perform its obligations under this Agreement or on the validity or enforceability of this Agreement.

Section 2.2 County Board Representations and Covenants.

The County Board hereby represents and warrants to the Company that, as of the date of this Agreement:

(a) the County Resolution remains in full force and effect and has not been modified, rescinded, or revoked as of the date hereof and that all actions on the part of the County necessary or appropriate for the effectiveness of the County Resolution and the execution and delivery of this Agreement have occurred and been satisfied;

(b) the County Board is a body corporate and politic under the laws of the State of Maryland and has requisite authority to own County property and assets and conduct its business as presently conducted and as proposed to be conducted under this Agreement;

(c) there is no action, suit, or proceeding, at law or in equity, or official investigation before or by any governmental authority pending or, to its knowledge, threatened against it, wherein an anticipated decision, ruling, or finding would result in a material adverse effect on its ability to perform its obligations under this Agreement or on the validity or enforceability of this Agreement; and

(d) the County is a political subdivision of the State of Maryland.

ARTICLE III PAYMENTS IN LIEU OF TAXES

Section 3.1 Term

This Agreement shall cover personal property and County real property taxes of Calvert Cliffs 1 & 2 payable for the 2023-2024 Tax Year through the 2027-2028 Tax Year. This Agreement shall be effective as of the Effective Date and will expire on June 30, 2028 or on June 30 of such earlier Tax Year, if any, during which a Permanent Cessation of Operations occurs (the "Expiration Date" as such Expiration Date may be extended as provided in this Section 3.1); provided, however, that if this Agreement would otherwise expire on June 30, 2028 (or subsequently at the end of an automatic renewal period as provided herein), the Agreement shall automatically renew for a period of five Tax Years (and on each five year anniversary thereafter) unless either party gives notice to the other of non-renewal at least 180 days prior to the then applicable Expiration Date in which case this Agreement shall terminate on the Expiration Date. If automatically renewed, then the PILOT Payments shall continue to apply to each subsequent Tax Year in the same amount as in effect for the Tax Year immediately preceding the renewal. The first Tax Year with respect to which the Personal Property and Real Property of Calvert Cliffs 1 & 2 shall be subject to taxation will be the first Tax Year after the Expiration Date, based upon the assessment(s) placed on the Personal Property and Real Property by SDAT for such Tax Year.

Section 3.2 Tax-Exempt Status of the Calvert Cliffs 1 & 2 Personal Property and Real Property

Pursuant to Section 7-514(b) of the Maryland Tax - Property Article and in accordance with the County Resolution, all (100%) of the Calvert Cliffs 1 & 2 Personal Property and Real Property shall be categorized as exempt from all general and special County *ad valorem* taxes and assessments. Such tax exemption shall apply as of July 1, 2023 and continue through June 30, 2028, subject to extension through renewal terms as provided herein, or except as otherwise provided herein.

Section 3.3 PILOT Payment Amounts, Timing of Payments

Commencing on the Effective Date and continuing through the Expiration Date, but subject to Section 3.8 hereof, the Company shall make negotiated payments in lieu of taxes for Calvert Cliffs 1 & 2 consisting of a Fixed Amount as set forth in this Section 3.3 (collectively, "PILOT Payments"). PILOT Payments shall be invoiced and due as set forth in Section 3.4.

(a) Fixed Amount

The Fixed Amount shall be as follows (shown as an aggregate total for the personal property tax and County real property tax in each Tax Year, to be allocated by the County between both taxes only should there be a need to do so on a pro rata basis based on the respective tax liabilities that would otherwise apply in each Tax Year in the absence of this Agreement but without changing the total of the Fixed Amount in any tax year):

<u>Period</u>	<u>Tax Year</u>	<u>Aggregate Amount</u>
1	2023	\$20,500,000
2	2024	\$20,500,000
3	2025	\$21,000,000
4	2026	\$21,000,000
5	2027	\$21,000,000

(b) Adjustments

(1) The Company acknowledges it is obligated to pay State real property tax with respect to the Real Property; provided, however, that to the extent that any Personal Property is reclassified as other than personal property, the Fixed Amount shall be reduced by the amount of State property tax on such reclassified property.

(2) In the event the State imposes the State property tax on any Personal Property, the Fixed Amount shall be reduced by the amount of such tax; provided, however, that in such event, either party may terminate this Agreement.

(3) To the extent that any political jurisdiction within Calvert County imposes an *ad valorem* tax on any Personal Property or Real Property that is subject to this Agreement, the Fixed Amount of the PILOT Payments set forth in Section 3.3(a) shall be reduced by the amount of any such *ad valorem* tax.

(4) This Agreement is not intended to limit the rights of the Company to appeal or contest any real or personal property assessment available under the laws of the State.

Section 3.4 Bills; Late Payments

(a) The Department of Finance and Budget for the County shall prepare a proper billing for the PILOT Payments due under this Agreement. Bills shall be mailed to the Company by July 30 of each Tax Year for which such PILOT Payment is due, or by such a time as is practicable after the receipt of the applicable property assessment information from SDAT.

(b) Except as provided in (c) of this Section 3.4, PILOT Payments required hereunder and based upon bills which are rendered as provided in this Agreement for the Tax Years for which such tax PILOT Payments apply will be considered delinquent on October 1 of the Tax Year in which billed, or sixty (60) days after the bill is delivered, whichever shall last occur. Interest at the applicable statutory rate then in effect shall be due, charged and collected on the amount of any delinquent payment.

(c) With respect to Tax Year 2023, the Company has previously paid \$14,175,369.42 to the County in personal property tax, and \$2,911,461.35 in County real property tax, for an aggregate total of \$17,086,830.77. Within 60 days following the receipt of bills from the County for personal property tax and real property tax in an aggregate amount equal to \$3,413,169.23 (the difference between the PILOT Payment of \$20,500,000 and \$17,086,830.77), the Company shall remit payment to the County.

Section 3.5 Default

In the event that any PILOT Payment is not received by the County within sixty (60) days after the date when due, this Agreement and its underlying exemption shall terminate at the option of the County Board if the Company does not make the PILOT Payment within sixty (60) days following the Company's receipt from the County of notice of such payment failure. Regardless of whether terminated, the Company shall be subject to any action at law or in equity that the County deems appropriate to collect amounts due hereunder, and, in the event the County Board elects to terminate this Agreement, as provided in this Section, the Company shall thenceforward be responsible for payment of personal property and County real property taxes pursuant to the then current law.

Section 3.6 Payments after Expiration of Term

At the expiration or earlier termination of this Agreement, the assessment, levy and collection of property taxes related to Calvert Cliffs 1 & 2 shall be made pursuant to the then current law.

Section 3.7 Additional Improvements

The value of any future improvements and/or capital investments in Calvert Cliffs 1 & 2 that do not result in the construction of a new building or addition to the foundation footprint of an existing building at Calvert Cliffs 1 & 2 shall be covered by this Agreement and shall not cause an increase in PILOT Payments payable hereunder. In the event a new building is constructed or an addition is made to the footprint of an existing building, this Agreement shall remain in effect

except that only the value of the new building or the addition, as applicable, and the value of any new personal property located therein, shall be outside of this Agreement and subject to tax pursuant to the then current law.

Section 3.8 Permanent or Temporary Cessation of Operations

(a) Upon the occurrence of a Permanent Cessation of Operations, the amounts due under this Agreement for the Tax Year during which the Permanent Cessation of Operations occurs shall equal the following:

- (i) a pro rata share of the regularly scheduled PILOT Payments based on the number of days from the beginning date of the Tax Year in which Permanent Cessation of Operations occurs through the day immediately prior to the occurrence of Permanent Cessation of Operations; and
- (ii) a pro rata share of the personal property and County real property taxes that would result in the absence of this Agreement based on the number of days from the date of Permanent Cessation of Operations through the end of such Tax Year;
- (iii) provided that the sum of the amounts in Sections 3.8(a)(i) and 3.8(a)(ii) shall not exceed the regularly scheduled PILOT Payment for such Tax Year.

(b) Upon the occurrence of a Temporary Cessation of Operations, the amounts due under this Agreement for the Tax Year(s) during which the Temporary Cessation of Operations occurs, continues, or concludes shall equal the following:

- (i) For the Tax Year during which the Temporary Cessation of Operations begins, the sum of (1) a pro rata share of the regularly scheduled PILOT Payments based on the number of days from the beginning of such Tax Year through the day immediately prior to the Temporary Cessation of Operations, and (2) a pro rata share of the personal property and County real property taxes that would result in the absence of this Agreement based on the number of days from the date of Temporary Cessation of Operations through the end of such Tax Year;
- (ii) For the Tax Year during which the Temporary Cessation of Operations concludes, the sum of (1) a pro rata share of the personal property and County real property taxes that would result in the absence of this Agreement based on the number of days from the beginning of such Tax Year through the day immediately prior to the conclusion of the Temporary Cessation of Operations, and (2) a pro rata share of the regularly scheduled PILOT Payments based on the number of days from the date of conclusion of the Temporary Cessation of Operations through the end of such Tax Year;
- (iii) In the case of a Temporary Cessation of Operations in effect throughout an entire Tax Year, the personal property and County real property taxes that would result in the absence of this Agreement for such entire Tax Year;

- (iv) provided that the amounts paid for any Tax Year during which a Temporary Cessation of Operations occurs, continues, or concludes shall not exceed the regularly scheduled PILOT Payment for such Tax Year.
- (c) Once any Temporary Cessation of Operations has concluded and operations of the temporarily inoperative Unit or Units has recommenced, the payments as set forth in Section 3.3 will apply for the remaining full Tax Years in this Agreement, thereafter subject to this and the other provisions of this Agreement.
- (d) Any amounts paid by the Company in excess of the amounts set forth in Sections 3.8(a) or 3.8(b) for or during a Tax Year in which a Permanent Cessation of Operations or a Temporary Cessation of Operations occurs shall be applied by the Parties as one or more credit(s) so as to be fully utilized and applied against the amount(s) due with respect to personal property tax and County real property tax in the earliest subsequent Tax Year(s).

Section 3.9 Reserved

Section 3.10 Transfer of Calvert Cliffs 1 & 2

If Calvert Cliffs 1 & 2 is sold or otherwise transferred by the Company, this Agreement shall be binding upon such purchaser/transferee and the Company shall be automatically released from the obligations assumed by the purchaser or transferee.

**ARTICLE IV
NOTICES**

All notices, demands, requests, consents, or other communications provided for or permitted to be given pursuant to this Agreement shall be in writing and shall be mailed or hand-delivered to the Parties and those to be copied at the respective addresses set forth below, and shall also be sent via email to the email addresses provided below:

a. If to the County:

County Commissioners of Calvert County
Calvert County Courthouse
175 Main Street
Prince Frederick, MD 20678
Attention: County Administrator
Telephone No.: 410 535-1600, ext. 2201
Email: Commiss@CalvertCountyMD.gov

With a copy to:
Calvert County Attorney
175 Main Street

Prince Frederick, MD 20678
Email: Calvert.Attorney@CalvertCountyMD.gov

b. **If to the Company:**

Calvert Cliffs Nuclear Power Plant, LLC
Archana Warner, Managing Director, State & Local Tax
Constellation Energy Generation, LLC
100 N. Riverside Plaza, Suite 900
Chicago, IL 60606
Telephone No.: 779-231-5186
Email: Archana.Warner@constellation.com

With a copy to:
Constellation Energy Generation, LLC
Attn: Legal Department
1310 Point Street – 8th Floor
Baltimore, Maryland 21231
Email: legalnotices@constellation.com

And a copy to:
Whiteford, Taylor & Preston L.L.P.
Attn: Herman B. Rosenthal
7 St. Paul Street, Suite 1500
Baltimore, Maryland 21202
Telephone No.: 410 347-9488
Email: hrosenthal@whitefordlaw.com

All such notices, demands, requests, consents, or other communications shall be deemed to have been duly given when personally delivered or, in the case of a mailed notice, upon receipt, in each case addressed as aforesaid. Each of the Parties may from time to time change its address for notices by written notice of such change to the other Parties given in accordance with this Section.

**ARTICLE V
DISPUTE RESOLUTION**

If a dispute arises out of or relates to this Agreement, or the breach thereof, and if the dispute cannot be settled through negotiation, the Parties agree first to try in good faith to settle the dispute by mediation administered by: (1) a mediator and process mutually agreed upon by the parties to this Agreement; or, if not agreed, (2) the American Arbitration Association under its Commercial Mediation Procedures before resorting to litigation or some other dispute resolution procedure. A Party seeking to invoke the provisions for Commercial Mediation Procedures shall provide a written Notice of Dispute to the other Party in accordance with Article IV of this Agreement, setting out the details of the dispute. Thereafter the other Party shall have thirty (30) days to respond.

The Parties shall share the mediator's fee and any filing fees equally. Each Party shall bear its own attorney's fees and costs of mediation. The mediation shall be held in a mutually agreed upon location. Any agreements reached in mediation shall be enforceable as settlement agreements.

ARTICLE VI ASSIGNMENTS

The Company may sell, transfer, assign, pledge, mortgage, hypothecate, or otherwise dispose of and encumber all or any of its rights, title, and interests in, to, and under this Agreement to any lender as security for the performance of its obligations under any loan agreement with such lender without the consent of the County. The Company may sell, transfer, assign, pledge, mortgage, hypothecate, or otherwise dispose of and encumber all or any of its rights, title, and interests in, to, and under this Agreement to any affiliate, and to any purchaser or transferee of Calvert Cliffs 1 & 2, without the consent of the County, provided such successor owner assumes and agrees to be bound by this Agreement to the extent of its interest in Calvert Cliffs 1 & 2 with respect to liabilities accruing after the date of such sale, transfer, assignment or other disposition. In any of the foregoing events, if not previously provided, the Company will provide written notice to the County of such assignment or pledge as promptly as practicable, but not later than thirty (30) days after the consummation of such sale, transfer, assignment or other disposition. The County agrees to execute and deliver any consents, documents, certificates, and other instruments and information which the Company, any lender, purchaser, transferee or assignee may reasonably request as a condition to the financing or refinancing, or the sale, transfer, assignment or other disposition of Calvert Cliffs 1 & 2.

ARTICLE VII LIMITED OBLIGATION OF THE PARTIES

All obligations of the County and the Company contained in this Agreement shall be deemed to be the corporate obligations of the respective Parties and not obligations of any member, officer, agent, servant, employee, or affiliate of either Party. No recourse upon any obligation contained in this Agreement, or otherwise based on or in respect of this Agreement, shall be had against any past, present, or future member, officer, agent, servant, employee, or affiliate of either Party.

ARTICLE VIII MISCELLANEOUS

Section 8.1 Governing Law, Venue

This Agreement shall be governed by and construed in accordance with the laws of Maryland without giving effect to the conflict of laws principles thereof. All disputes arising out of or in connection with this Agreement that are not resolved under the terms of the Dispute Resolution clause herein will be decided in the first instance by the Circuit Court for Baltimore County, Maryland to the exclusion of all other courts, except that the Parties shall have all appeal rights allowed by State law. The Parties hereby submit to the jurisdiction of the Circuit Court for Baltimore County, Maryland for purposes of all such suits, and the parties further waive any objection to such forum and venue, including any objection based on grounds of inconvenience or suitability of forum or otherwise. If the Circuit Court for Baltimore

County or other state court directs the transfer of the forum and venue for any such action or proceeding, the parties hereby consent to and agree to transfer the forum and venue to the Circuit Court for Baltimore City. THE PARTIES HERETO SPECIFICALLY WAIVE ANY RIGHT TO A JURY TRIAL WITH RESPECT TO ANY MATTER ARISING UNDER OR RELATED TO THIS AGREEMENT AND AGREE TO A BENCH TRIAL.

Section 8.2 Severability

In the event that any of the provisions of this Agreement are held to be unenforceable or invalid by any court or regulatory authority of competent jurisdiction, the validity and enforceability of the remaining provisions shall not be affected.

Section 8.3 Amendments, Consents, Waivers, Etc.

This Agreement may not be amended except by an instrument in writing signed by the Parties hereto.

Section 8.4 Binding Effect

This Agreement shall inure to the benefit of and shall be binding upon each of the Parties and, as permitted by this Agreement, to and upon their respective successors and permitted assigns.

Section 8.5 Form of Payments

The amounts payable under this Agreement shall be payable in such coin and currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

Section 8.6 Change in Identification Numbers

The change, amendment, increase, or decrease of the tax identification or parcel numbers currently used by the State of Maryland or the County to identify or classify all or any part of Calvert Cliffs 1 & 2 shall not cause this Agreement to change.

Section 8.7 Right to Contest Assessments

If assessments are placed on the Real Property or Personal Property during the Term of this Agreement, the Company will have the rights of an owner of taxable property to challenge any such assessment, including seeking judicial review of an assessment pursuant to Maryland law. Except as otherwise provided herein, the Company waives and forfeits any right, title and interest to collect refunds generated as a result of any assessment reductions resulting from such proceedings for any Tax Year during the Term of this Agreement to the extent such refunds would reduce the Company's combined obligation to make PILOT Payments for such Tax Year to an amount less than the PILOT Payment amounts in Section 3.3 hereof for such Tax Year.

Section 8.8 No Admission as to Value and Reservation of Rights

The Company and the County agree that, in no event, will the values implied for Real Property and the Personal Property by this Agreement, nor their relative implied values suggested by the allocation of the PILOT Payments be used by the County against the Company or by the Company against the County in the context of any administrative proceeding, any future negotiation, or litigation for any purpose (except to enforce the terms hereof) during or following the Term of this Agreement. The values implied by this Agreement, including the relative values suggested by the allocation of the PILOT Payments, are based on the unique circumstances surrounding Calvert Cliffs 1 & 2 and will not have any implications for the valuation of any other property of the Company. The Company and the County each reserves all of their rights regarding the future tax treatment of Calvert Cliffs 1 & 2 not otherwise specified within this Agreement.

Section 8.9 No Contra Proferentem

This Agreement is the product of arm's-length negotiations between the Parties, and neither of the Parties shall be deemed to be the drafter of the Agreement or of any provision of the Agreement. Nor shall any part of this Agreement be construed against either of the Parties on the basis of that Party's identity as a drafter of all or a portion of this Agreement.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the day and year first above written.

**BOARD OF COUNTY
COMMISSIONERS OF CALVERT
COUNTY, MARYLAND**

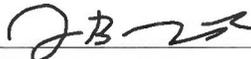
By: _____
Name: Earl F. Hance
Title: President

**CALVERT CLIFFS NUCLEAR POWER
PLANT, LLC**

By: _____
Name: Peter Moodie
Title: Vice President

Approved for

Legal Sufficiency on: August 12, 2024

By: 

John B. Norris, III
County Attorney