

## PURPLE LINE STUDY AGREEMENT

### AGREEMENT FOR EVALUATION OF IMPROVED EFFLUENT QUALITY AND CONVEYANCE AT PROCTORS CREEK WASTEWATER TREATMENT PLANT

This Agreement for Evaluation of Improved Effluent Quality and conveyance at Proctors Creek Wastewater Treatment Plant (the "Agreement") is entered into effective the date of the last signature below by and between the Economic Development Authority of the County of Chesterfield, a political subdivision of the Commonwealth of Virginia (the "EDA") and Peanut LLC, a Delaware limited liability company (the "Company").

#### RECITALS:

- A. The Company previously acquired and currently owns an approximate 307.048 acre parcel located at 2700 Bermuda Hundred Road, Chester, VA 23836 and identified as Tax ID No. 830651308400000 by Chesterfield County, Virginia (the "Existing Project") and is evaluating the feasibility of development of certain other undeveloped and recently acquired properties located in Chesterfield County, Virginia as described in Land Use/Zoning Case 25SN1040 and Case 25SN1038 ("Potential Projects"). The Existing Project would be developed for industrial purposes and such development and use of the property may desire use of treated effluent from the Proctors Creek Wastewater Treatment Plant ("PCWWTP") and discharge of non-contact cooling water blowdown to be sent from the Project to PCWWTP. The Company and the EDA acknowledge that one of the purposes of the reuse system contemplated in this Agreement is to reallocate a range of [REDACTED], which is included as part of that certain Fixed Tax Rate and Water and Wastewater Capacity and Service Agreement between the Company and the County of Chesterfield ("Fixed Rate Agreement") from the Existing Project to the Potential Projects, subject to all terms and conditions required by the County of Chesterfield's Utilities Department in accordance with law, regulation, ordinance, and policy, and further subject to the terms and conditions of the Fixed Rate Agreement. The intent of the parties is that the Company shall retain up to [REDACTED] in connection with the Fixed Rate Agreement for the Potential Projects by implementing the reuse system upon the completion of the Evaluation defined herein and additional required hydraulic studies. However, the parties acknowledge that any such arrangement is subject to the approval of the Chesterfield County Utilities Department, as described above, and, if approved by the Chesterfield County Utilities Department, entry into a separate future agreement between the Company and Chesterfield County.
- B. The EDA desires that the Existing Project not be limited to a single option discharge through the PCWWTP. The Company desires to discharge non-contact cooling water blowdown into the PCWWTP at a point which makes reasonable sense given the requirements of Chesterfield County's Utilities Department (the "Utility"), whether it is a specific location within the treatment process or an alternative discharge point. The EDA desires to cooperate with the Utility and Company to evaluate a technical solution for receiving non-contact cooling tower blowdown which aligns in an optimal way with the Utility's operations, treatment process, hydraulics, and Virginia/Federal Pollutant Discharge Elimination System (VPDES/NPDES) permit requirements.
- C. Typical domestic wastewater shall be conveyed through the County's wastewater collection system located along Bermuda Hundred Road.



- D. The EDA and Company agree that the County's wastewater collection system will require certain offsite sewer conveyance improvements associated with the Company's possible industrial reuse and the EDA agrees to use best efforts to work with the Company to construct all such offsite sewer conveyance improvements.
- E. In coordination with the Company and the Utility, the EDA has retained Timmons Group ("Engineer") to conduct an engineering evaluation of solutions to improve secondary effluent quality from PCWWTP to a degree beneficial for reuse as an industrial water source for the Existing Project ("Evaluation") under the terms and conditions of a consulting agreement ("Evaluation Contract"). The scope of the Evaluation is attached hereto as Exhibit C.
- F. The Evaluation will include those items set forth in Exhibit C. The target secondary effluent quality under consideration for possible industrial reuse application is shown in Exhibit A.
- G. A preliminary breakdown of anticipated non-contact cooling tower blowdown constituents is shown in Exhibit B for review, though subject to change based on the findings of the PCWWTP treated effluent quality evaluation. The Company will determine, in consultation with the EDA and the Utility, if there is a preferred location within the treatment process for acceptance of this non-contact cooling water discharge from the Existing Project. If this is deemed viable, the Engineer shall provide a schematic drawing indicating the desired discharge tie-in point to the Utility's system.
- H. The Evaluation will confirm adequate effluent flow exists within the PCWWTP outfall pipe to determine if it can accommodate the Existing Project flows for the proposed reuse system.
- I. The Company agrees to be responsible for up to \$1,500,000.00, which constitutes the estimated Engineer's cost of conducting the Evaluation and for the design, and the parties now wish to memorialize their understanding.
- J. The EDA shall work with the Utility to amend that certain Wastewater Supply Agreement dated March 30, 2007 with Virginia Electric and Power Company (Dominion) to allow for the service of reuse to other third parties.
- K. The parties acknowledge and agree that the scope of this Agreement is limited solely to the Evaluation described herein. The EDA's participation in this Agreement and the completion of the Evaluation shall not obligate the EDA nor the Company to pursue, approve, or participate in any project, development, or further action related to or resulting from the Evaluation. Any such future project, development, or action would require separate agreement(s) between the parties.

NOW THEREFORE, in consideration of the mutual promises and covenants below, the EDA and the Company agree as follows:

- I. INTENTIONALLY OMITTED.



2. **SCOPE OF SERVICES FOR EVALUATION.** The scope of services to be included in the Evaluation Contract are set forth on Exhibit C attached hereto. The EDA acknowledges and agrees that the final terms and conditions to be included in the Evaluation Contract will be determined solely by the Company.
3. **CONTRACTING OF ENGINEERING EVALUATION SCOPE.** The Company shall promptly cause the Engineer to execute the Evaluation Contract within a reasonable time.
4. **EDA AND UTILITY REVIEW AND INPUT.**
  - a. The EDA shall cooperate with the Company and the Engineer by coordinating access to the PCWWTP, relevant data, and staff expertise as reasonably requested to facilitate the Evaluation.
  - b. The EDA shall review and provide timely feedback on the Engineer's work, including draft reports and conceptual design options. The EDA shall use best efforts to request the Utility's participation with the review and feedback on the Engineer's work.
  - c. The EDA's review and input shall not unreasonably delay the Engineer's progress.
5. **PAYMENT FOR EVALUATION.**
  - a. The Company shall be responsible for the direct payment of all costs associated with the Evaluation Contract to the Engineer.
  - b. The total cost of the Evaluation Contract shall not exceed \$1,500,000.00, (the "Expense Cap"), unless otherwise authorized by the Company in writing.
  - c. The Company shall provide the EDA with a copy of the executed Evaluation Contract, including the Engineer's cost estimate.
  - d. The Engineer shall submit all invoices directly to the Company for payment.
6. **PROJECT MANAGEMENT & COMMUNICATION.**
  - a. The Company shall oversee the Evaluation and serve as the primary point of contact for the EDA.
  - b. The EDA and the Company shall establish a regular communication schedule (e.g., bi-weekly meetings) to discuss the progress of the Evaluation.
  - c. The Engineer shall provide regular progress reports to both the EDA and the Company.
7. **OWNERSHIP OF DATA & REPORTS.** All data, reports, and other deliverables produced under the Evaluation Contract shall be jointly owned by the EDA and the Company. Both parties shall have the right to use this information for their respective purposes.
8. **INDEMNIFICATION.** The Company agrees to indemnify, defend, and hold harmless the EDA, its officers, directors, employees, and agents from and against any and all claims, liabilities, losses, damages, costs, and expenses, including reasonable attorneys' fees, arising out of or related to this Agreement, except to the extent caused by the negligence or willful misconduct of the EDA.



9. TERMINATION.

- a. Termination for Convenience: The Company may terminate this Agreement for its convenience at any time by providing thirty (30) days' written notice to the EDA. In the event of such termination, the Company shall instruct the Engineer to cease work and the Engineer shall provide an invoice for all work completed up to the date of termination. The Company shall provide a final accounting of all costs incurred by the Engineer and shall pay the Engineer the invoiced amount.
- b. Termination for Cause: Either party may terminate this Agreement for cause if the other party materially breaches any term or condition of this Agreement and fails to cure such breach within fifteen (15) days after receiving written notice of the breach. If the breach is not curable within fifteen (15) days, the non-breaching party may terminate this Agreement if the breaching party fails to commence curing the breach within the fifteen (15) day period and fails to continue to diligently pursue such cure to completion.
- c. Effect of Termination: Upon termination of this Agreement for any reason, the Company shall provide a final accounting of all costs incurred by the Engineer under the Evaluation Contract and shall pay the Engineer for all work completed up to the effective date of termination.

10. ASSIGNMENT. Without the need for consent from the EDA, the rights and obligations of the Company under this Agreement may be transferred or assigned in whole or in part by the Company to any affiliate controlling, controlled by or under common control with the Company. All other assignments of this Agreement requested by the Company will be subject to the EDA's prior written consent, which will not be unreasonably withheld, conditioned, or delayed.

11. GOVERNING LAW AND VENUE. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without giving effect to any choice of law or conflict of law provisions. Any legal actions concerning this Agreement shall be brought only in the federal or state court having jurisdiction over Chesterfield County, Virginia.

12. CHESTERFIELD COUNTY NOT BOUND. Notwithstanding references herein to Chesterfield County and its Utilities Department, the EDA and the Company acknowledge and agree that Chesterfield County and its Utilities Department are not a party to this Agreement and are not bound by any of the terms herein.

13. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings, whether written or oral.

14. SEVERABILITY. If any provision of this Agreement is held to be invalid or unenforceable, such provision shall be struck and the remaining provisions shall be enforced.



15. COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement.

