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DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

AGENDA

Commission on Local Government
All-Virtual Special Meeting
December 2, 2024, 3:00 pm

FOR VIRTUAL ATTENDANCE

Microsoft Teams

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Meeting ID: 214 252 309 876

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1. This is all all-virtual meeting. There will not be an in-person attendance option. Members of the public are encouraged to contact LeGrand Northcutt (legrand.northcutt@dhcd.virginia.gov) if they plan to attend the meeting electronically.
2. The Public Comment portion of the meeting will be limited to thirty (30) minutes. Each person wishing to give comments before the Commission should limit their comments to three (3) minutes. These rules are subject to change without notice by the Commission Chair. It is encouraged to pre-register for public comment by contacting LeGrand Northcutt (legrand.northcutt@dhcd.virginia.gov) in advance of the meeting.
3. Members of the public are required to mute themselves during the meeting unless called upon by the Commission Chair to speak. The CLG reserves the right to remove from its virtual meetings anyone who does not abide by these rules.
4. Access to meeting materials for members of the public is available on the corresponding meeting page of the [Virginia Regulatory Town Hall website](#) and on [Commonwealth Calendar](#).



- I. **Call to Order** (Chair)
- II. **Approval of the Draft Agenda** (Chair)
- III. **Report on the Proposed Economic Growth Sharing Agreement between Caroline County and Spotsylvania County**
 - a. Presentation of the agreement (Parties)
 - b. Presentation of the draft report on the agreement (Staff)
 - c. Public comment period (Chair)
 - d. Approval of draft report
 - i. Commission deliberation and action (Chair)
- IV. **Other Business** (Chair)
- V. **Adjournment** (Chair)

DRAFT



**Report on the
Caroline County – Spotsylvania County
Economic Growth Sharing Agreement**



Commission on Local Government
Department of Housing and Community Development
Commonwealth of Virginia
www.dhcd.virginia.gov
December 2024

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Executive Summary

On November 15, 2024, the Commission on Local Government (“the Commission”) received a Notice of Referral of an Economic Growth Sharing Agreement from Caroline County and Spotsylvania County along with an Economic Growth Sharing Agreement developed pursuant to § 15.2-1301 of the Code of Virginia and adopted by joint resolution of both Counties (the “Draft Agreement”), and a Joint Submission of additional evidence. In accordance with statute and applicable Commission regulations, the Commission is required to investigate, analyze, and make findings of fact as to the probable effect on the people residing in any area of the Commonwealth of any proposed economic growth sharing agreement in that area before the agreement can be adopted by the localities after a public hearing.

The Draft Agreement before the Commission is the result of several years of planning by the Counties, both individually and collectively, to attract capital-intensive investments in data center development from Amazon Data Services (ADS). While each county is working with ADS on other investments solely within their jurisdictions, the Draft Agreement will allow for construction of a large data center campus in the Mattameade Tech Campus (the “MTC Area”), an approximately 1074.5 acre parcel located in both Counties and owned by ADS. The contemplated development would have at least eleven data centers on land in Caroline County that use water and wastewater utilities provided by Spotsylvania County. In exchange for Spotsylvania providing utilities to developments in Caroline County, the Counties will divide all local taxes generated in the MTC Area 57.5% to Caroline County, 43.7% to Spotsylvania County.

The Commission’s findings of fact indicate that the Draft Agreement is likely to support the economic growth of the Counties and provide indirect benefits to citizens. The report that follows is the Commission’s findings of fact and conclusions related to the Draft Agreement and other underlying agreements between the Counties and ADS. First, the report will provide background information on the proceedings of the Commission, the Draft Agreement, the MTC Area, and the Counties. Second, it will discuss the relevant standard of review and apply that standard to the Draft Agreement by discussing the impacts, costs, and benefits of development of the MTC Area on the Counties and their citizens.

Background

Proceedings before the Commission

On November 15th, 2024, the Commission on Local Government (the “Commission”) received a Notice¹ from Caroline County and Spotsylvania County (collectively, “the Counties”) requesting that the Commission review an Economic Growth Sharing Agreement² (the “Draft Agreement”). The Draft Agreement was developed pursuant to § 15.2-1301 of the Code of Virginia, and the Counties submitted additional information in the form of a Joint Submission³ to the Commission to assist with its review pursuant to 1 VAC §§ 50-20-382 and 50-20-612. The Draft Agreement comes after several years of planning by the Counties, both individually and collectively, to attract capital-intensive investments in data center development from Amazon Data Services (ADS). While each county is working with ADS on other investments solely within their jurisdictions, the Draft Agreement will allow for construction of a large data center campus in the Mattameade Tech Campus (the “MTC Area”), an approximately 1074.5 acre parcel located in both Counties and owned by ADS.⁴ The contemplated development would have at least eleven data centers on land in Caroline County that use water and wastewater utilities provided by Spotsylvania County. In exchange, the Counties will divide all local taxes generated in the MTC Area 57.5% to Caroline County, 43.7% to Spotsylvania County.

The Commission reviewed the Counties’ filings as well as additional information provided in support of the Draft Agreement, which included each County’s Economic Development Local Performance Agreement with ADS (the “Caroline LPA”⁵ and “Spotsylvania LPA”,⁶ respectively) and the Water and Wastewater Service Agreement between Spotsylvania County and ADS⁷ (the “WSA”). The Chair of the Commission conducted an interview with officials from both Counties

¹ Spotsylvania and Caroline Counties, NOTICE OF CAROLINE COUNTY, VIRGINIA, AND SPOTSYLVANIA COUNTY, VIRGINIA OF THEIR REFERRAL TO THE COMMISSION ON LOCAL GOVERNMENT OF THEIR ECONOMIC GROWTH SHARING AGREEMENT, Nov. 15, 2024; included as Appendix A.

² Spotsylvania and Caroline Counties, ECONOMIC GROWTH SHARING AGREEMENT, submitted to the Commission on Local Government for review on Nov. 15, 2024 [hereinafter *The Draft Agreement*]; included as Appendix D.

³ Spotsylvania and Caroline Counties, JOINT SUBMISSION OF CAROLINE COUNTY, VIRGINIA AND SPOTSYLVANIA COUNTY, VIRGINIA PROVIDING INFORMATION REGARDING COMMISSION REVIEW OF AN ECONOMIC GROWTH SHARING AGREEMENT BETWEEN AND AMONG SPOTSYLVANIA COUNTY AND CAROLINE COUNTY, Nov. 15, 2024 [hereinafter *Joint Submission*]; included as Appendix B.

⁴ *The Draft Agreement*, at Exhibit A.

⁵ Amazon Data Services, Inc., Economic Development Authority of the County of Caroline, Virginia, and Caroline County, Virginia, ECONOMIC DEVELOPMENT LOCAL PERFORMANCE AGREEMENT, Feb. 22, 2024 [hereinafter *Caroline LPA*]; included as Appendix E.

⁶ Amazon Data Services, Inc., Economic Development Authority of the County of Spotsylvania, Virginia, and Spotsylvania County, Virginia, ECONOMIC DEVELOPMENT LOCAL PERFORMANCE AGREEMENT, Jan. 25, 2024 [hereinafter *Spotsylvania LPA*]; included as Appendix F.

⁷ Amazon Data Services, Inc. and Spotsylvania County, Virginia, ADS WATER AND WASTEWATER SERVICE AGREEMENT, no effective date [hereinafter *The WSA*]; included as Appendix G.

on November 22, 2024.⁸ Those in attendance included Commission staff, the County Administrators and County Attorneys from both Counties, as well as economic development, community development, and utility employees from Spotsylvania County. All materials submitted to the Commission by the Counties are included in the appendices of this report.

The Draft Agreement was further discussed with the Counties at a Special Meeting of the Commission on December 2, 2024, where this report was discussed, [amended,] and adopted by the Commission and subsequently sent to the Counties for their consideration.⁹ The Draft Agreement shall not become binding on the Counties until it has been adopted by ordinance by both Counties after a public hearing following the publication of this report.¹⁰

The Need for an Economic Growth Sharing Agreement

In early 2024, both Caroline County and Spotsylvania County entered into separate Economic Development Local Performance Agreements with ADS that “incentivize ADS to construct, develop, and operate data center projects within [both counties] resulting in new jobs as well as significant economic growth and tax revenue.”¹¹ Through these agreements, ADS intends to make a minimum of six billion dollars of capital investments in each county by June 30, 2040.¹² If ADS’s investment exceeds six billion dollars, each county will give ADS additional incentives for investments when the investments exceed ten billion dollars and fifteen billion dollars.¹³ Therefore, under the terms of the Local Performance Agreements, it is contemplated that total capital investment by ADS in the Counties could exceed thirty billion dollars over the next fifteen years.

The MTC Area has been identified by the Counties as suitable for significant data center construction.¹⁴ Approximately 158.5 acres of the parcel lies in Spotsylvania County, and the remaining approximately 916 acres is in Caroline County.¹⁵ In preliminary discussions with Caroline County, ADS has indicated that it can build as many as eleven data center complexes on the portion of the property located in Caroline County.¹⁶ However, Caroline County does not have the infrastructure or other resources to provide water and wastewater utilities to eleven data centers

⁸ Microsoft Teams Interview by LeGrand Northcutt and Edwin Rosado with Ed Petrovich, Spotsylvania County Administrator; Charles Culley, Caroline County Administrator; Christopher Mackenzie, Shareholder, Sands Anderson; Karl Holsten, Spotsylvania County Attorney; Debbie Sanders, Deputy Director of Economic Development, Spotsylvania County; Ben Loveday, P.E., Assistant County Administrator, Spotsylvania County (Nov. 22, 2024) [hereinafter *Commission Interview*].

⁹ **Minutes of the Special Meeting**

¹⁰ Virginia Code § 15.2-1301 (2024).

¹¹ *Joint Submission*, at 1.

¹² *Spotsylvania LPA*, at 12; *Caroline LPA*, at 11.

¹³ *Spotsylvania LPA*, at 8; *Caroline LPA*, at 8.

¹⁴ *Commission Interview*.

¹⁵ *The Draft Agreement*, at Exhibit A.

¹⁶ *Commission Interview; Joint Submission*, at 1.

in the MTC Area, which is located in the northern portion of the County where water and wastewater utility capacity is limited.¹⁷ Therefore, Spotsylvania County must provide water and wastewater utilities to the entirety of the MTC Area, including the larger portions within Caroline County’s borders, to make the contemplated development viable.¹⁸ To equitably share the increases in tax revenue based on the contributions of each County to the development in the MTC Area, the localities are seeking to enter into the Draft Agreement.

Characteristics and History of the MTC Area

The Caroline County portion of the MTC Area is currently zoned as a Planned Innovation, Research, and Technology district (“PIRT district”).¹⁹ The purpose of creating the PIRT zoning district was to narrow the allowable land uses to data centers and related industries while avoiding other types of uses that are currently common in Caroline County, such as distribution centers.²⁰ The MTC Area was previously zoned agricultural along with the land surrounding it.²¹ To rezone the MTC Area to the PIRT district, Caroline County first amended its comprehensive plan to designate the area as suitable for the PIRT district in June of 2023,²² then created the PIRT district over the course of several meetings and work sessions.²³ The PIRT district was added to the zoning ordinance on October 10, 2023,²⁴ and the MTC Area was rezoned to the PIRT district on October 24, 2023.²⁵ The Caroline County Board of Supervisors and the Planning Commission received public comments and feedback at all stages of the comprehensive plan and rezoning process.²⁶

¹⁷ *Commission Interview.*

¹⁸ *Joint Submission*, at 1.

¹⁹ *Commission Interview.*

²⁰ *Id.*

²¹ *Id.*

²² E-mail from Christopher Mackenzie, Shareholder, Sands Anderson, to LeGrand Northcutt, Senior Policy Analyst, Dept. of Housing and Comm. Dev. (Nov. 25, 2024, 16:40 EST) (on file with the Commission).

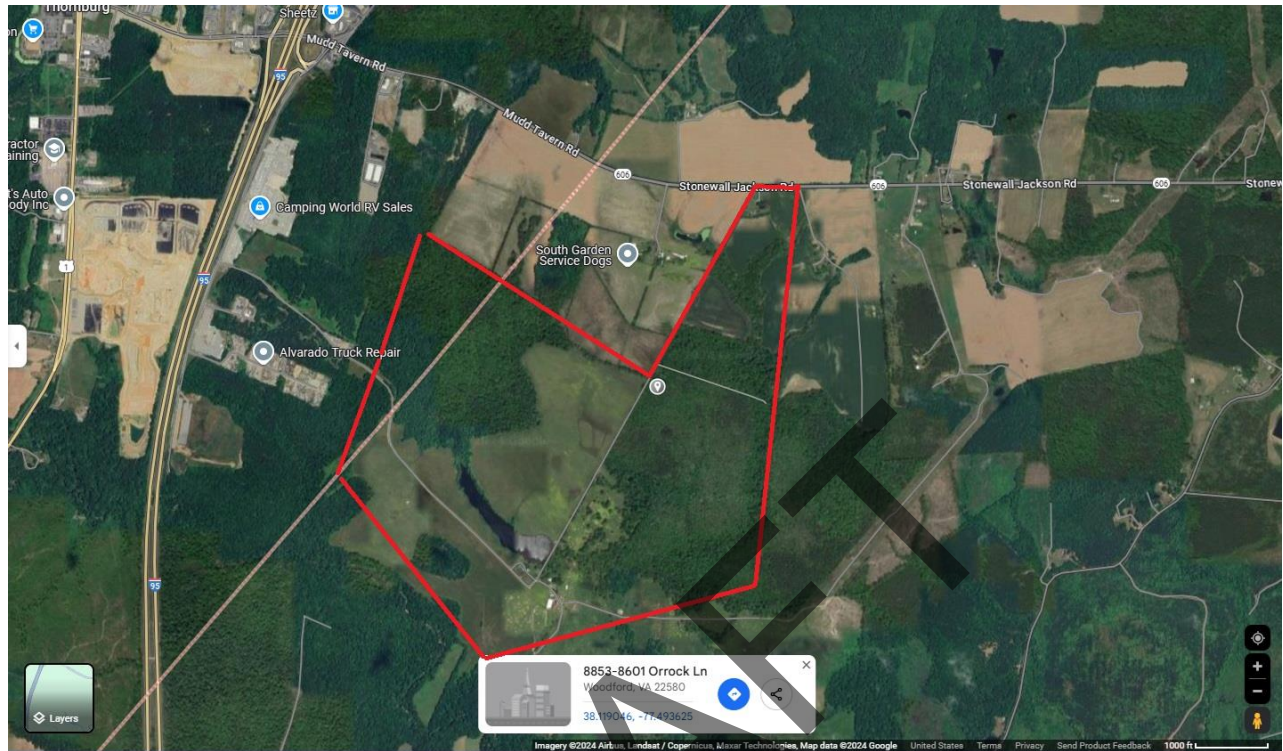
²³ *Id.*

²⁴ *Id.*

²⁵ *Id.*

²⁶ *Commission Interview.*

Figure 1: General Location of Mattameade Tech Campus²⁷



The Spotsylvania County portion of the MTC Area is currently zoned as Industrial 1, which allows light public utility uses that will support the data centers and related buildings in the Caroline County portion of the MTC Area.²⁸ The area is surrounded by largely agricultural and some industrial uses.²⁹ Similar to Caroline County, Spotsylvania County began the process of rezoning its portion of the MTC Area with a comprehensive plan amendment.³⁰ That amendment was approved by the Spotsylvania County Board of Supervisors on July 11, 2023 after several work sessions and additional outreach to citizens in the Lee Hill and Berkley districts over the summer.³¹ The rezoning application was brought on May 10, 2023, and approved by the Board of Supervisors on October 10, 2023.³² The Spotsylvania County Board of Supervisors and the Planning Commission received public comments and feedback at all stages of the comprehensive plan and rezoning process.³³

²⁷ The exact boundaries of the MTC Area are shown in Exhibit A on pages 9 and 10 of *The Draft Agreement*, included as Appendix D.

²⁸ *Commission Interview*.

²⁹ *Id.*

³⁰ *Id.*

³¹ *Id.*

³² *Id.*

³³ *Id.*

Relevant Characteristics of the Localities

Both Caroline County and Spotsylvania County are on the western edge of GO Virginia Region 6, which includes localities bordering the Rappahannock River eastward to the Chesapeake Bay.³⁴ The priority industry clusters for the region include IT and Data Centers, especially in the Caroline County and Spotsylvania County, which are farther from the Chesapeake Bay and closer to the current data center hubs in Loudoun County.³⁵ According to the Commission's FY2022 Fiscal Stress Report, both localities have below average fiscal stress with stress scores of 99.47 for Caroline County and 97.19 for Spotsylvania County. Spotsylvania's median household income is on the higher end for the Commonwealth at \$96,322 (ranking 22nd out of 133 localities) whereas Caroline County's is lower at \$72,210 (ranking 46th out of 133 localities).

Standard of Review

The Draft Agreement was negotiated under § 15.2-1301 of the Code of Virginia, which enables any combination of counties, cities or towns to enter agreements to share in the benefits of the economic growth of their localities.³⁶ However, the Commission must review these agreements and make findings of facts as to the probable effect of the action on the people residing in the affected areas.³⁷ The purpose of this review is not to approve or disapprove of the specific provisions of the Draft Agreement or to pass judgement on the probable effects. Instead, this fact-finding report should be used to better inform discussion and public input at the public hearings on this agreement required by § 15.2-1301 of the Code of Virginia.³⁸

With this fact-finding purpose in mind, the Commission reviewed the Draft Agreement, submissions by the Counties, and the additional data elements necessary to make findings of fact as to the impacts of the Draft Agreement on the Counties and potentially affected citizens in the area. In doing so, this report will, with reliance on the data submitted by the Counties, first quantify the effects of the various agreements related to the development of the MTC Area on the Counties, which include increased tax revenue and grant liabilities, the provision of public utilities, and changes to the local economy. Second, this report will, in general terms, discuss the various potential effects of data center development in the MTC Area on residents of the Counties.

³⁴ Virginia Initiative for Growth and Opportunity, *Region 6 Information*, GOVIRGINIA (Nov. 26, 2024, 9:40 PM), <https://govirginia.org/regions/six>.

³⁵ *Id.*

³⁶ Code of Virginia § 15.2-1301 (2024).

³⁷ Code of Virginia § 15.2-2903 (2024).

³⁸ Code of Virginia § 15.2-1301 (2024).

Provisions of the Draft Agreement and Other Included Agreements

The basic provisions of the Draft Agreement are that, in exchange for providing water and wastewater utilities to ADS that will serve up to eleven data centers in the MTC Area, the Counties will share all local tax revenue generated in the MTC Area as follows: 57.5% Caroline County; 42.5% Spotsylvania County.³⁹ The “local tax revenue” to be shared includes all local taxes assessed by either County, such as real and personal property and BPOL taxes, and other revenues from taxable events that may occur in the MTC Area such as sales and use tax, food and beverage tax, etc.⁴⁰ ADS will build all infrastructure needed for its operations within the MTC Area,⁴¹ and Spotsylvania County is obligated to provide water and wastewater utilities for the first eleven data centers constructed in the Caroline County portion of the MTC Area.⁴² The Counties anticipate that all of the data centers will be constructed in the Caroline County portion of the MTC Area, and the Spotsylvania County portion of the MTC area will be used for buildings related to the provision of utilities to those data centers.⁴³ For any additional data centers that ADS may build, Spotsylvania retains the right of first refusal to provide utilities.⁴⁴ The Draft Agreement will terminate forty years after one million square feet of data center improvements have been constructed or other specified events.⁴⁵

There are three other agreements that are related to or dependent upon the Draft Agreement. First, each locality has its own Local Performance Agreement with ADS that stipulates what grants will be paid back to ADS for its capital investments in each County.⁴⁶ For each County, the grants are intended to fulfill the two-to-one local match required by the Commonwealth’s Cloud Computing Cluster Infrastructure Grand Fund⁴⁷ to secure additional grants from the Commonwealth for ADS’s investments in data centers and related infrastructure.⁴⁸ The Local Performance Agreements are substantially similar in both Counties, with the biggest difference being the maximum amount of grants that may be provided to ADS.⁴⁹ In both Counties, the Economic Development Authority will initially give an annual grant to ADS equal to 60% of

³⁹ *The Draft Agreement*, at 3.

⁴⁰ *Id.*, at 2.

⁴¹ *Id.*

⁴² *Commission Interview; Joint Submission*, at 1.

⁴³ *Joint Submission*, at 1.

⁴⁴ *The Draft Agreement*, at 4.

⁴⁵ *Id.*, at 3, 5.

⁴⁶ While this economic growth sharing agreement is necessary for the development of the MTC Area as stated in *The WSA*, the provisions of both local performance agreements apply to capital investments anywhere in the respective counties. See *Joint Submission*, at 3. Other investments by ADS outside the Mattameade Tech Campus in each County will be subject to each County’s LPA, but the revenue will not be shared under *The Draft Agreement*.

⁴⁷ Code of Virginia § 59.1-284.42 (2024).

⁴⁸ *Spotsylvania LPA*, at 2; *Caroline LPA*, at 2.

⁴⁹ *Commission Interview*.

the increased tax revenue generated by data center development until the total grant amount reaches either a specified amount or 10% of ADS's infrastructure costs through June 30, 2040, whichever is less.⁵⁰ Under the Spotsylvania LPA, the specified maximum grant amount is \$93,303,200 of the projected \$207,000,000 increase in tax revenue over the next fifteen years, or 45.1% of the projected increased tax revenue generated by a six billion dollar investment.⁵¹

Under the Caroline LPA, the specified maximum grant amount is \$86,214,000, which will also be paid in yearly grants equal to 60% of the increased tax revenue from data center investments over the next fifteen years.⁵² Caroline County did not provide projected gross increases in tax revenue over the next fifteen years. However, the County does cite significant direct and indirect benefits such as new full-time jobs with salaries above the current average in the County that will stimulate additional economic activity and tax revenues.⁵³ Each County will also give additional, performance-based incentives to ADS for the remainder of the agreement above the maximum grant amount if investment becomes greater than six billion dollars. Those additional incentives are listed in each County's LPA and reproduced in Table 2.

Second, Spotsylvania County has a separate Water Services Agreement with ADS that will not go into effect until the Draft Agreement is approved.⁵⁴ The WSA governs how much of each utility will be provided to ADS within the MTC Area and the specifications to which Spotsylvania County will provide the utilities at the boundary of the MTC Area. The exact amount of potable and recycled water and wastewater capacity is confidential information protected by law and was therefore not shared with the Commission. However, as will be discussed below, Spotsylvania County's commitment to provide water and wastewater utilities is wholly conditioned upon ADS's completion of upgrades that are necessary to convey sufficient recycled water from the Massaponax Wastewater Treatment Plant to the MTC Area.⁵⁵

⁵⁰ *Spotsylvania LPA*, at 7; *Caroline LPA*, at 7.

⁵¹ *Spotsylvania LPA*, at 7, 3 (extrapolating a 13.8 million dollar tax increase over 15 years for a total of 207 million).

⁵² *Caroline LPA*, at 7.

⁵³ *Caroline LPA*, at 2.

⁵⁴ *The WSA*, at 10.

⁵⁵ *The WSA*, at 10; *Commission Interview*.

Table 1: Share of Local Taxes Received from the MTC Area for Each County

Caroline County	Spotsylvania County
57.5%	42.5%

Table 2: Amounts of Additional Incentive Grants in Both Counties, as a Percentage of Additional Tax Revenue

Total Capital Investments by ADS before June 30, 2040	Amount of Investment Performance Grant (as percentage of additional tax revenue)
\$6,000,000,001 to \$10,000,000,000	10%
\$10,000,000,001 to \$15,000,000,000	15%
Over \$15,000,000,000	20%

Impact of Data Centers on the Provision of Water and Wastewater Utilities in Spotsylvania County

While data centers can use significant amounts of water for cooling depending on their design and size, Spotsylvania County has taken the proper steps to ensure that the data centers developed in the MTC Area do not overtax their potable water or wastewater system capacities through its ordinances and the provisions of the WSA with ADS. Of primary importance, Section 22-47 of the Spotsylvania County Code of Ordinances prevents “any data center or similar user of Spotsylvania County water [from using]... public potable source water for permanent cooling water purposes.”⁵⁶ Because of this ordinance, which applies to ADS as the end user of Spotsylvania utilities even though the data centers will be located in Caroline County, ADS has designed its data centers to be cooled with recycled water returned to the MTC Area from the Massaponax Wastewater Treatment Plant in Spotsylvania County.⁵⁷

Since the data centers in the MTC Area will not be using potable water long-term for cooling purposes, the significant question for Spotsylvania County is not how much potable water will be used (estimated to be no more than a small residential development) or how much wastewater flow will increase (minimally, because the water used for cooling largely evaporates),

⁵⁶ Spotsylvania, Va., Code of Ordinances § 22-47 (2024).

⁵⁷ Commission Interview.

but whether the current wastewater system has the capacity to recycle enough water to send back to the data center development. Currently, the answer is no. However, ADS has agreed to construct a level 1 reuse system at the Massaponax Wastewater Treatment Plant along with the infrastructure necessary to pump the recycled water to the MTC Area for cooling purposes.⁵⁸ Because of this investment by ADS, Spotsylvania is confident that it will be able to provide potable, recycled, and wastewater capacity to the MTC Area once it is fully constructed.⁵⁹

Spotsylvania County anticipates that it will provide potable water as a “bridge” for cooling during the first two years of development until the recycling system is fully constructed.⁶⁰ This use is allowed under the ordinance and has been determined to fit within the system’s capacity.⁶¹ Spotsylvania County indicated that all other planned improvements to the capacity of both the water and wastewater systems had been planned and budgeted for before and outside the context of the Draft Agreement and data center development resulting from the LPA.⁶²

Costs and Benefits for the Localities

Under the terms of the Draft Agreement, ADS will pay for the cost of all development within the MTC Area including infrastructure needed to provide potable, recycled, and waste water to each portion of the MTC Area in each County.⁶³ As the developer of the MTC Area, ADS will also fund the expansion of water and wastewater utilities in Spotsylvania County from the nearest access point to the border of the MTC Area through proffers or other agreements with Spotsylvania County.⁶⁴ Since Caroline County is not allowed to provide utilities to the **MTC Area** under the Draft Agreement without Spotsylvania County’s permission, the only direct costs that each County will bear are those outlined in each County’s LPA, discussed above. **With respect to indirect costs**, neither locality has invested public funds into the development of the MTC Area.⁶⁵ Therefore, there is no risk of loss of other investments if ADS does not develop the MTC as contemplated by the Draft Agreement or Caroline County’s LPA.

The financial benefits of the Draft Agreement have the potential to significantly outweigh the financial costs. In fact, from the Counties’ perspectives, the financial benefits of the Draft Agreement are needed to effectuate and fund the provisions of the LPAs and allow ADS to uphold

⁵⁸ *The WSA*, at 10.

⁵⁹ *Commission Interview*.

⁶⁰ *Id.*

⁶¹ *Id.*

⁶² *Id.*

⁶³ *The Draft Agreement*, at 4

⁶⁴ *Commission Interview*.

⁶⁵ *Commission Interview*.

its investment commitments.⁶⁶ To show the net projected benefits with the LPAs in effect, the Counties provided estimates of the projected benefits of the Draft Agreement in the form of increased tax revenue minus what will be owed ADS under their respective LPAs.⁶⁷ Those estimates are reproduced in Table 3.

Table 3: Projected Revenue Increases for Both Counties

Year of Draft Agreement	Net allocation to Caroline County	Net Allocation to Spotsylvania County
1	585,465	432,735
2	2,614,474	1,932,438
3	3,688,359	2,726,179
4	5,198,257	3,842,190
5	5,307,915	3,923,241
6	5,803,171	4,289,300
7	8,117,538	5,999,920
8	13,300,369	9,830,708
9	16,889,705	12,483,695
10	15,751,363	11,642,312

The Commission finds no reason to dispute these estimates. However, the projections only cover the increased revenue from investments in the MTC Area, and only extend ten years. Because the estimates only cover increased revenues from investments in the MTC Area, these numbers are a potential undercount of total increased revenues for each county in the context of each LPA, which envisions investments in other parts of both counties. Additionally, the estimates only extend ten years and do not account for the potential that each County might pay a large sum at the end of fifteen years to fulfil their obligations under their respective LPAs if ADS's investments produce tax revenue that is lower than expected. Therefore, when considering the impact of the Draft Agreement, there is both a potential for a much greater overall tax revenue increase in each County from other projects not covered by the Draft Agreement and the risk that this project, if not combined with others, will not generate enough tax revenue to cover the performance grants at the end of fifteen years.

These scenarios are intertwined; if the Draft Agreement helps to create additional investment

⁶⁶ See *Caroline LPA*, at 1 (indicating that “time is of the essence in developing” the MTC Area).

⁶⁷ *Joint Submission*, at 1.

in the Counties beyond the MTC Area, then there will be greater tax revenue than what is projected in the Joint Submission and more revenue to repay the performance grants. However, if there is no investment in the MTC Area, then there will be less tax revenue and it will be more difficult for the Counties to repay the performance grants even if the grants are reduced in size. The expectations for either of these outcomes should therefore be tempered by the protections for the Counties included in each LPA,⁶⁸ the low fiscal stress scores of both Counties,⁶⁹ and the additional incentives for ADS to increase its investments in the Counties beyond six billion dollars over the next fifteen years, which would all but ensure that additional tax revenue will cover the cost of the performance grants.

The projected investments from the Draft Agreement will also lead to an increase in jobs related to data centers, likely concentrated in Caroline County, as well as indirect jobs for the region.⁷⁰ While indirect benefits beyond increases in tax revenues are more speculative, the Counties predict that each of the eleven data centers will lead to thirty direct jobs and create 108 indirect jobs as the economy grows in the region.⁷¹ These new jobs would lead to approximately \$4.8 million in additional labor income annually in the area.⁷² Other indirect benefits to how the Counties operate or provide services cannot be predicted, as the Counties do not commit to using the increased tax revenue for any specific purpose nor has either planned or budgeted for any potential revenue increases as a result of the Draft Agreement.⁷³

Costs and Benefits for Residents

While data center developments can lead to viewshed obstruction and increased noise pollution, the Counties indicated that there will be no measurable environmental costs to citizens in the surrounding area due to the location and zoning of the MTC Area and surrounding properties. The MTC Area is not adjacent to any residential neighborhoods, nor are there any residential neighborhoods planned in the area or contemplated by the comprehensive plans of the Counties.⁷⁴ Additionally, the Counties cited the benefits of the “campus” design envisioned by the PIRT district, where data centers are clustered behind existing tree growth with required setbacks from lot lines, internal, and external roads. This design will ensure that views are protected in areas of historical interest nearby. Further impacts to schools, traffic, and public safety will either be

⁶⁸ *Caroline LPA*, at 11; *Spotsylvania LPA*, at 12.

⁶⁹ A lower fiscal stress score indicates that a locality has a higher theoretical ability to raise own-source revenues.

⁷⁰ *Commission Interview*; *Caroline LPA*, at 2, 6.

⁷¹ *Commission Interview*.

⁷² *Commission Interview*.

⁷³ *Joint Submission*, at 4.

⁷⁴ *Commission Interview*.

minimal or have already been mitigated.⁷⁵

The economic benefit of increased jobs could significantly benefit the citizens of Caroline County. The County has a high potential for wage growth as data centers are constructed and predicts that salaries of the jobs directly created by development in the MTC Area could be three times the per capita income of \$38,432.⁷⁶ The County also indicated that the costs of population and job growth can be offset by unbuilt but permitted housing development, which is close to 6,000 homes in areas within driving distance of the MTC Area. Indirect costs or benefits to the citizens from increased tax revenues cannot be determined at this time for the same reasons noted above.

Conclusion

The Commission is authorized by Va. Code § 15.2-2903 “to investigate, analyze, and make findings of fact, as directed by law, as to the probable effect” of the Draft Agreement on the people residing in the area. Accordingly, the Commission makes the following conclusions based on the findings of fact stated above:

- The Draft Agreement is one part of a larger group of agreements designed to incentivize ADS to make capital and infrastructure investments in both Counties that will significantly increase their tax revenue, both in the short- and long-term. The Draft Agreement furthers the goals of each County to attract data center development as well as the purposes of each County’s pre-existing Local Performance Agreements.
- Both Counties engaged in a deliberative process to rezone the entirety of the MTC Area for data center development. The process properly engaged the citizens of each county and allowed for public feedback on the potential for substantial data center development in the specific area of the Counties covered by the Draft Agreement.
- Spotsylvania County has taken appropriate steps through its ordinances and the WSA to reduce the likelihood that data center development will overburden its water and wastewater systems.
- By allowing ADS to begin construction of data centers in the MTC Area, the Draft Agreement will lead to increased tax revenues for both Counties with no direct financial costs over the next ten years.
- Data center construction in the MTC Area will have a minimal impact on the citizens of the

⁷⁵ For instance, the Counties indicated that increased traffic from construction is anticipated to be more intensive than the data centers themselves, and preparations have already begun to widen turn lanes into the MTC Area. *Commission Interview.*

⁷⁶ *Commission Interview.*

Counties and the surrounding area while also creating the potential for significant wage growth in Caroline County.

These findings of fact indicate that the Draft Agreement is likely to support the economic growth of the Counties and provide indirect benefits to citizens. The Commission does not have any suggested changes to the Draft Agreement.

DRAFT

Appendix A

VIRGINIA:

BEFORE THE COMMISSION ON LOCAL GOVERNMENT

RE: ECONOMIC GROWTH SHARING)
AGREEMENT BETWEEN CAROLINE COUNTY)
AND SPOTSYLVANIA COUNTY)

NOTICE OF CAROLINE COUNTY, VIRGINIA AND SPOTSYLVANIA COUNTY, VIRGINIA OF THEIR REFERRAL TO THE COMMISSION ON LOCAL GOVERNMENT OF THEIR ECONOMIC GROWTH SHARING AGREEMENT

The County of Caroline, Virginia (“**Caroline**”) and the County of Spotsylvania, Virginia (“**Spotsylvania**” and together with Caroline, the “**Counties**”), by their counsel, hereby notify the Commission on Local Government (the “**Commission**”), and all Virginia local governments contiguous to, or sharing any function, revenue, or tax source with Caroline or Spotsylvania, of their referral of a proposed economic growth sharing agreement between Caroline and Spotsylvania to the Commission for review in accordance with the provisions of §§ 15.2-1301 and 15.2- 2903(4) of the Virginia Code, and Title 1 Virginia Administrative Code (“**VAC**”), Sections 50-20-382 and 50-20-612.

The proposed agreement is the Economic Growth Sharing Agreement (the “**Agreement**”). A copy of the Agreement is attached to this Notice.

In support of this Notice, the Counties state the following:

1. The Counties have a history of cooperation in promoting regional economic development.
2. To further attract and promote regional economic development, Spotsylvania and Caroline have determined it is in the best interests of the Counties and their citizens, respectively, to enter into the Agreement relating to the construction, development, and operation of a data center facility in an area in Caroline and Spotsylvania at their shared border, known as the Mattameade Tech Campus and further described and defined in the Agreement (the “**MTC**”), pursuant to which Spotsylvania will provide water, wastewater, recycled water, and sewer services to the MTC, in exchange for which the Counties will share tax revenue generated by the MTC for a fixed term.
3. Code of Virginia § 15.2-1301 provides that revenue, tax base and economic growth-sharing agreements such as the Agreement shall be referred to the Commission for review and issuance of findings in accordance with Code of Virginia § 15.2- 2903(4).
4. On November 12, 2024 Spotsylvania, and on November 14, 2024 Caroline, each passed a Joint Resolution of the Counties requesting that the Commission review the Agreement and make the appropriate findings (the “**Joint Resolution**”).

5. 1VAC50-20-612 provides that in developing its findings of fact and recommendations with respect to a proposed voluntary economic growth-sharing agreement referred to the Commission for review in accordance with Code of Virginia § 15.2-2903(4), the Commission shall consider certain information, data, and factors listed in 1VAC50-20-612. Caroline and Spotsylvania have provided such information to the Commission in the Joint Submission by Caroline County and Spotsylvania County.
6. 1VAC50-20-382(D) provides that any local government receiving this notice of referral, or any other party, may submit data, exhibits, documents, or other supporting materials relevant to the Commission's review as it deems appropriate; however, the submissions should be responsive to all relevant elements of 1VAC50-20-612. Furthermore, any party submitting materials shall follow the requirements set out in 1VAC50-20-382(D).
7. Caroline and Spotsylvania have each designated as their principal contacts with the Commission the following individuals, who along with the undersigned Counsel, may be contacted by the Commission or any locality to whom this Notice is sent:

CAROLINE COUNTY

Charles M. Culley, Jr., County Administrator
Physical Address: 212 N. Main Street
Bowling Green, VA 22427
Mailing Address: P.O. Box 447
Bowling Green, VA 22427
Phone: (804) 633-5380
Fax: (804)-633-4970
Email: cculley@co.caroline.va.us

SPOTSYLVANIA COUNTY

Ed Petrovitch, County Administrator
Physical Address: 9104 Courthouse Road
Spotsylvania, VA 22553
Mailing Address: P.O. Box 99
Spotsylvania, VA 22553
Phone: (540) 507-7010
Fax: (540) 507-7019
Email: epetrovitch@spotsylvania.va.us

8. Pursuant to 1VAC50-20-382, Caroline and Spotsylvania have together mailed copies of this Notice, the Joint Resolution, the Agreement and the attached annotated listing of documents, exhibits and other materials submitted to the Commission in support of the Agreement.
9. The undersigned counsel certify pursuant to 1VAC50-20-390(L) that the information provided in this Notice came from publicly available sources or was provided by Amazon Data Services, Inc., and was learned during the course of representation of such


counsel's respective client. The undersigned further certify that the information provided in this Notice is correct within the knowledge of the submitting party.

WHEREFORE, Caroline County, Virginia and Spotsylvania County, Virginia request that the Commission review the Agreement and make its findings at the earliest possible time in accordance with the requirements of §§ 15.2-1301 and 15.2- 2903(4) of the Virginia Code.

CAROLINE COUNTY, VIRGINIA

By: 
Christopher M. Mackenzie (VSB #84141)
Sands Anderson PC
919 East Main Street, Suite 2300 (23219)
P. O. Box 1998
Richmond, Virginia 23218-1998
Phone: (804) 783-7280
Fax: (804) 783-7291
Email: cmackenzie@sandsanderson.com
Counsel for Caroline County, Virginia

SPOTSYLVANIA COUNTY, VIRGINIA

By: 
Karl R. Holsten (VSB #48387)
P.O. Box 308
9104 Courthouse Road
Spotsylvania, VA 22553
Phone: (540) 507-7020
Fax: (540) 242-0239
Email: KHolsten@Spotsylvania.va.us
Counsel for Spotsylvania County, Virginia

LOCAL GOVERNMENTS NOTIFIED

Pursuant to 1VAC50-20-382, Caroline and Spotsylvania have together mailed copies of this Notice, the Joint Resolution, the Agreement and the attached annotated listing of documents, exhibits and other materials submitted to the Commission in support of the Agreement to each of the following Virginia local governments contiguous with Caroline and/or Spotsylvania, or which Caroline or Spotsylvania shares any function, revenue or tax source.

Essex County, Virginia
c/o Essex County Administrator
P.O. Box 1079
202 South Church Lane
Tappahannock, VA 22560

King and Queen County, Virginia
c/o King and Queen County Administrator
P.O. Box 177
242 Allens Circle, Suite L
King & Queen C.H., VA 23085

Hanover County, Virginia
c/o Hanover County Administrator
7516 County Complex Road
Hanover, VA 23069

Westmoreland County, Virginia
c/o Westmoreland County Administrator
111 Polk Street
Montross, VA 22520

King George County, Virginia
c/o King George County Administrator
10459 Courthouse Drive, Suite 200
King George, VA 22485

Stafford County, Virginia
c/o Stafford County Administrator
1300 Courthouse Road, 3rd Floor
Stafford, VA 22554

Culpeper County, Virginia
c/o Culpeper County Administrator
302 North Main Street
Culpeper, VA 22701

Orange County, Virginia
c/o Orange County Administrator
P.O. Box 111
112 W. Main Street
Orange, VA 22960

Louisa County, Virginia
c/o Louisa County Administrator
1 Woolfolk Avenue, Suite 301
Louisa, VA 23093

King William, Virginia
c/o King William County Administrator
180 Horse Landing Road, #4
King William, VA 23086

City of Fredericksburg, Virginia
c/o Fredericksburg City Manager
P.O. Box 7447
Fredericksburg, VA 22404

Town of Bowling Green
c/o Bowling Green Town Manager
P.O. Box 468
117 Butler Street
Bowling Green, VA 22427

Town of Ashland, Virginia
c/o Ashland Town Manager
P.O. Box 600
121 Thompson Street
Ashland, VA 23005

Town of Port Royal
c/o Port Royal Town Manager
P.O. Box 9
419 King Street
Port Royal, VA 22535

Town of West Point
c/o West Point Town Manager
802 Main Street
West Point, VA 23181

Town of Mineral
c/o Mineral Town Manager
312 Mineral Avenue
Mineral, VA 23117

Town of Tappahannock
c/o Tappahannock Town Manager
P.O. Box 266
915 Church Lane
Tappahannock, VA 22560

Town of Colonial Beach
c/o Colonial Beach Town Manager
315 Douglas Avenue
Colonial Beach, VA 22443

Town of Gordonsville
c/o Gordonsville Town Manager
P.O. Box 276
Gordonsville, VA 22942

ANNOTATED LIST

The following is an annotated list of the documents, exhibits, and other materials Caroline and Spotsylvania have submitted to the Commission in support of the Agreement:

1. Economic Growth Sharing Agreement.
2. Joint Resolution of Caroline County, Virginia and Spotsylvania County, Virginia Referring Their Proposed Economic Growth Sharing Agreement to the Commission on Local Government for Review.
3. Joint Submission of Caroline County, Virginia and Spotsylvania County, Virginia Providing Information Regarding Commission Review of Proposed Economic Growth Sharing Agreement Between and Among Spotsylvania County and Caroline County.

DRAFT

Appendix B

VIRGINIA:

BEFORE THE COMMISSION ON LOCAL GOVERNMENT

RE: ECONOMIC GROWTH SHARING)
AGREEMENT BETWEEN SPOTSYLVANIA)
COUNTY AND CAROLINE COUNTY)

JOINT SUBMISSION OF CAROLINE COUNTY, VIRGINIA AND SPOTSYLVANIA COUNTY, VIRGINIA PROVIDING INFORMATION REGARDING COMMISSION REVIEW OF AN ECONOMIC GROWTH SHARING AGREEMENT BETWEEN AND AMONG SPOTSYLVANIA COUNTY AND CAROLINE COUNTY

The County of Caroline, Virginia (“**Caroline**”) and Spotsylvania County, Virginia (“**Spotsylvania**” and together with Caroline, the “**Counties**”), by their counsel, hereby provide the Commission on Local Government (the “**Commission**”) with information and data related to the factors listed in Title 1 Virginia Administrative Code (“**VAC**”) Section 50-20-612 concerning a proposed economic growth sharing agreement between and among the Counties.

A. INTRODUCTION

On December 12, 2023, the Board of Supervisors for Spotsylvania County authorized its County Administrator to enter into an Economic Development Local Performance Agreement between the County, Amazon Data Services, Inc. (“**ADS**”) and the County’s Economic Development Authority, effective as of February 8, 2024 (“**Spotsylvania Performance Agreement**”). The Board of Supervisors for Caroline County, Virginia also authorized a similar Economic Development Local Performance Agreement with ADS, effective as of January 23, 2024 (“**Caroline Performance Agreement**”).

The terms of the Spotsylvania Performance Agreement incentivize ADS to construct, develop, and operate data center projects within Spotsylvania County resulting in new jobs as well as significant economic growth and tax revenue. The terms of the Caroline Performance Agreement incentivize ADS to construct, develop, and operate data center projects within Caroline County resulting in new jobs, as well as significant economic growth and tax revenue. One of the data center projects contemplated by these agreements will be located within both Spotsylvania County and Caroline County along their shared border, and is known as the Mattameade Tech Campus (“**MTC**”). The Counties anticipate that most, if not all, of the actual data centers in the MTC will be located in Caroline County. However, the development of the MTC within Caroline County requires water utilities which can only be provided by Spotsylvania County. The MTC is not viable without the assistance and cooperation of Spotsylvania County in providing the water utilities. In exchange for Spotsylvania providing water utilities to serve up to at least 11 data centers at the MTC, including those in Caroline County, Caroline and Spotsylvania have agreed in principle to share the local tax revenue generated at the MTC, with Spotsylvania receiving 42.5% of the local tax revenue within the MTC and Caroline receiving 57.5% of the local tax

revenue within the MTC, after the payment of all grants and other incentive obligations provided for under the Caroline Performance Agreement and the Spotsylvania Performance Agreement.

The Spotsylvania County Board of Supervisors authorized its County Administrator to enter into a Water and Wastewater Service Agreement to serve the MTC on October 22, 2024 (“MTC WSA”), a copy of which is included with this submission. Per the MTC WSA, Spotsylvania will provide water utilities, including potable water, recycled water, and sewer, for at least 11 data centers that will be located within the boundaries of the MTC. The MTC WSA is contingent on Spotsylvania and Caroline entering into an agreement to effectuate the aforementioned revenue share, this Economic Growth Sharing Agreement (the “Agreement”).

Notice of this referral to the Commission, copies of the Agreement and an annotated listing of documents, exhibits and materials submitted to the Commission has been sent to each Virginia locality contiguous to the Counties or with which either Spotsylvania or Caroline share any function, revenue, or tax source. Notice has also been provided to incorporated towns within those localities. These localities include the City of Fredericksburg, the Towns of Ashland, Bowling Green, Port Royal, West Point, Mineral, Tappahannock, Colonial Beach, and Gordonsville, and the Counties of Stafford, Culpeper, Orange, Louisa, Hanover, King George, Essex, King and Queen, King William, and Westmoreland.

The Boards of Supervisors for the County of Spotsylvania and the County of Caroline adopted a joint resolution on November 12, 2024 and November 14, 2024, respectively, approving the form of this Agreement, authorizing and directing this submission, and indicating that they intend to adopt this Agreement after the Commission issues its findings and after each Board holds a public hearing to allow public comment on this Agreement.

B. INFORMATION RESPONSIVE TO FACTORS LISTED IN 1VAC50-20-612

Listed below are the factors set forth in 1VAC50-20-612 and the information and data submitted by the Counties responsive to each factor.

1. A copy of the proposed agreement and a description of the economic growth sharing plan.

A copy of the proposed Agreement is attached hereto.

The development of the MTC within Caroline requires water utilities which can only be provided by Spotsylvania. The MTC is not viable without the assistance and cooperation of Spotsylvania in providing the water utilities to serve the data centers at the MTC which are within Caroline’s borders. In exchange for Spotsylvania providing water utilities, the Counties have agreed to share in all local tax revenues generated and collected within the MTC. Revenues include, but are not limited to, real estate, personal property, machinery and tools, and consumer utility taxes, with Spotsylvania receiving 42.5% of the local tax revenue and Caroline receiving 57.5%, after the payment of all grants and other incentive obligations provided for under the Caroline Performance Agreement and the Spotsylvania Performance Agreement, over entire term of the Agreement, expected to be (40) years from the date that at least 1,000,000 square feet of Data Center improvements are constructed and receive an occupancy permit in the MTC.

2. A description of the financial investment or other contributions which each participating locality will make to the projects(s) envisaged under the agreement.

The Spotsylvania Performance Agreement and the Caroline Performance Agreement provide significant grants to ADS incentivizing the development of data centers in the Counties which will result new jobs as well as significant economic growth and tax revenue in the Counties. However, these benefits will not be realized by the Counties at the MTC without the Agreement.

As described in Section 1 above, in the MTC WSA, Spotsylvania County commits to providing water utilities to the MTC contingent upon the approval of the Agreement.

The Counties agree that the 57.5% - 42.5% split of net revenues described in Section 1 above, and Section 3 below, is fair and equitable consideration for Spotsylvania's commitment to provide the necessary water utilities to the MTC.

3. Projections of each participating locality's net annual receipt or net annual contributions to the projects(s) specified in the agreement for the next 10-year period, or for a lesser or greater period, as deemed appropriate.

During the term of the Agreement, the Counties agree to the sharing of all local taxes received from the MTC after the payment of all grants and other incentive obligations provided for under the Caroline Performance Agreement and the Spotsylvania Performance Agreement, as follows: 57.5% Caroline; 42.5% Spotsylvania.

Local taxes shall mean all local taxes assessed and revenue received by each respective County relating to real and personal property, the operation of businesses located in the MTC, and any other taxable event within the MTC including, but not limited to, real property personal property, machinery and tools, sales and use, food and beverage, lodging, transient occupancy, business license, gross receipts, consumer utility, merchants' capital, and all other local taxes which will be interpreted as being inclusive rather than exclusive, plus any late fees, penalties or other charges paid in connection with such taxes whether currently assessed or assessed in the future. The Agreement does not allow for any interpretation to pay over, divest, allocate, or pledge any revenues of Spotsylvania related to its utility fees to Caroline or any third party. Spotsylvania will retain its utility fees related to the services provided to the MTC.

Projections of the following net annual receipts (Table 1) are limited to the two primary revenue sources of real estate and personal property taxes and based on ADS's estimated timeline for construction of each data center and investment values based on 2022 pricing models, not adjusted for inflation. For revenue modeling, the tax rates are set and maintained at the respective locality's approved tax rates as of January 1, 2023. Actual revenues will vary depending on future Board approved tax rates and ADS's adherence to projected construction timelines and equipment replacement cycles.

In the Agreement, the Counties agree, to the fullest extent of the law, to fully levy, assess and collect any and all local taxes. The Counties agree, to the fullest extent of the law, to not exempt any property or taxable events within the MTC in the future which is within the power of

the respective Counties to exempt, whether exclusively applying to the MTC or applying to all such property or taxable events in the locality which will include the MTC, and to cooperate with each other in any action to lobby against any attempt by the General Assembly to exempt any property or taxable events within the MTC or to reduce, by General Assembly legislation rather than market valuation, the value of taxable property or taxable events within the MTC, whether exclusively applying to the MTC or applying to all such property or taxable events in the Commonwealth which will include the MTC.

Table 1. Projected Real and Personal Property Tax Revenues.

	Total Projected Real & Personal Property Revenues (Net of Infrastructure Grants)		
		Allocation to Caroline County (57.5%)	Allocation to Spotsylvania County (42.5%)
Year 1	\$ 1,018,200	\$ 585,465	\$ 432,735
Year 2	\$ 4,546,912	\$ 2,614,474	\$ 1,932,438
Year 3*	\$ 6,414,538	\$ 3,688,359	\$ 2,726,179
Year 4	\$ 9,040,448	\$ 5,198,257	\$ 3,842,190
Year 5	\$ 9,231,156	\$ 5,307,915	\$ 3,923,241
Year 6	\$ 10,092,472	\$ 5,803,171	\$ 4,289,300
Year 7	\$ 14,117,458	\$ 8,117,538	\$ 5,999,920
Year 8	\$ 23,131,077	\$ 13,300,369	\$ 9,830,708
Year 9	\$ 29,373,399	\$ 16,889,705	\$ 12,483,695
Year 10	\$ 27,393,674	\$ 15,751,363	\$ 11,642,312
Average annual revenue for each year thereafter	\$ 22,385,217	\$ 12,871,500	\$ 9,513,717

* Estimated year for completion of 1,000,000 square feet of improvements. Term of Agreement expected to run (40) years from this date.

4. A description of any dedication or restriction on the use of funds generated by the projects(s) specified in the agreement for the participating localities.

After payment of all grants and other incentive obligations provided under the Caroline Performance Agreement and the Spotsylvania Performance Agreement, there are no restrictions on the use of tax revenue shared between the Counties.

5. Calculations indicating the estimated impact of the project(s) proposed in the agreement on the annual operating expenditures of each participating jurisdiction for the next 10-year period, or for a lesser or greater period as deemed appropriate.

Revenues received by either Spotsylvania or Caroline under the Agreement may be applied by the Counties, respectively, for any lawful purpose, including operating expenditures or capital expenditures. The Counties have not planned for or budgeted any potential revenues that may be received under the Agreement.

6. Calculations indicating the estimated impact of the project(s) proposed in the agreement on the current and prospective capital expenditures of each participating jurisdiction for the next 10-year period, or for a lesser or greater period as deemed appropriate.

See response to Number 5 above.

7. Calculations indicating the estimated impact of the project(s) proposed in the agreement on the debt and annual debt service of each participating jurisdiction for the next 10-year period, or for a lesser or greater period as deemed appropriate.

Revenues received by the Counties from the MTC under the Agreement will have no impact on the debt of either Spotsylvania or Caroline, and will have no impact on the annual debt service of either.

8. Information indicating the general equity of the proposed plan for each participating locality.

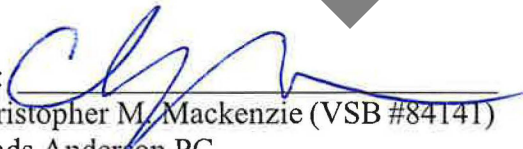
The Agreement reflects a practical partnership in operation of the MTC. The Counties will both benefit from increases in real estate, personal property, machinery and tools, and consumer utility taxes resulting from the development and operation of the MTC. The Agreement was crafted to reflect the contributions of both Counties to such development.

9. Other information which would assist the Commission in analyzing the “probable effect on the people” in the participating jurisdictions of the proposed agreement.


There are no negative impacts anticipated for citizens of the Counties.

Respectfully submitted this 15th day of November, 2024 by:

CAROLINE COUNTY, VIRGINIA

By: 
Christopher M. Mackenzie (VSB #84141)
Sands Anderson PC
P.O. Box 1998
Richmond, Virginia 23218
Phone: (804) 648-1636
Fax: (804) 783-7291
Email: cmackenzie@sandsanderson.com
Counsel for Caroline County, Virginia

SPOTSYLVANIA COUNTY, VIRGINIA

By: 
Karl R. Holsten (VSB #48387)
Spotsylvania County Attorney
9105 Courthouse Road
P.O. Box 308
Spotsylvania, Virginia 22553
Phone: (540) 507-7020
Fax: (540) 242-0239
Email: kholsten@spotsylvania.va.us
Counsel for Spotsylvania County, Virginia

Appendix C

County of Spotsylvania
Founded 1721

Board of Supervisors
GERALD CHILDRESS
DEBORAH H. FRAZIER
LORI HAYES
JACOB LANE
KEVIN W. MARSHALL
DREW MULLINS
CHRIS YAKABOUSKI



County Administrator
ED PETROVITCH
Deputy County Administrator
MARK L. COLE
P. O BOX 99, SPOTSYLVANIA, VA 22553
Voice: (540) 507-7010
Fax: (540) 507-7019

Service, Integrity, Pride

At a meeting of the Spotsylvania County Board of Supervisors held on November 12, 2024, on a motion by Supervisor Childress and passed unanimously, the Board adopted the resolution as follows:

RESOLUTION NO. 2024-159

JOINT RESOLUTION OF SPOTSYLVANIA COUNTY, VIRGINIA AND CAROLINE COUNTY, VIRGINIA REFERRING THEIR PROPOSED ECONOMIC GROWTH SHARING AGREEMENT TO THE COMMISSION ON LOCAL GOVERNMENT FOR REVIEW

WHEREAS, Spotsylvania County, Virginia (“**Spotsylvania**”) and Caroline County, Virginia (“**Caroline**” and together with Spotsylvania, the “**Counties**”) have a history of cooperation in promoting regional economic development; and

WHEREAS, to further attract and promote regional economic development, Spotsylvania and Caroline have determined it is in the best interests of both Counties and their citizens, respectively, to enter into an Economic Growth Sharing Agreement (the “**Agreement**”) relating to the construction, development, and operation of a data center facility in an area in Caroline and Spotsylvania at their shared border, known as the Mattameade Tech Campus and further described and defined in the Agreement (the “**MTC Area**”), pursuant to which Spotsylvania will provide water, wastewater, recycled water, and sewer services to the MTC Area, in exchange for which the Counties will share tax revenue generated by the MTC Area for a fixed term; a copy of the Agreement is attached to this Resolution; and

WHEREAS, at its regular meeting held on November 12, 2024, the Board of Supervisors of Spotsylvania reviewed and considered the form of the Agreement; and

WHEREAS, at its regular meeting held on November 14, 2024, the Board of Supervisors of Caroline reviewed and considered the form of the Agreement; and

WHEREAS, §15.2-1301 of the Code of Virginia, as amended, provides that economic growth sharing agreements such as the Agreement shall be referred to the Virginia Commission on Local Government (the “**Commission**”) for review and the making of findings as to the probable effect of such agreements on the people residing in the area affected by such agreements; and

WHEREAS, 1 VAC50-20-382 requires that referral of such agreements to the Commission shall be accompanied by resolutions, joint or separate, of the governing bodies of the localities that are parties to such proposed agreements requesting that the Commission review such agreements, stating the parties' intention to adopt such agreements, and providing certain information to the Commission.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF SPOTSYLVANIA COUNTY, VIRGINIA AND THE BOARD OF SUPERVISORS OF CAROLINE COUNTY, VIRGINIA THAT:

1. The Boards both find and determine that it is in the best interests of their respective County and their respective citizens to enter into the Agreement, and hereby approve the Agreement in substantially the same form as attached hereto.
2. The Boards (a) request that the Commission review the Agreement and issue its findings in accordance with the requirements of Code of Virginia § 15.2-1301 and (b) state their intention to adopt the Agreement in final form and direct that it be executed subsequent to the Commission's review.
3. The County Administrators and County Attorneys of both Counties are hereby respectively authorized and directed to refer the Agreement, together with all necessary data and materials, including, but not limited to, those materials identified in 1VAC50-20-612, to the Commission, and to take all other actions as may be required to accomplish the Commission's review of the Agreement.
4. The Boards authorize the advertisement of respective public hearings on the Agreement in accordance with §15.2-1301 of the Code of Virginia, as amended, at the December 10, 2024 regular meeting of each County, or as soon thereafter as may reasonably be held, to consider the Commission's issuance of its findings in accordance with subsection D of foregoing statute; however, no public hearing shall be held until after the Commission issues its findings.
5. Spotsylvania designates the following individual as its contact persons for communications with the Commission regarding the review of the Agreement:

Ed Petrovitch, County Administrator, Spotsylvania County, Virginia

Physical Address: 9104 Courthouse Road
Spotsylvania, VA 22553

Mailing Address: P.O. Box 99
Spotsylvania, VA 22553

Phone: [\(540\) 507-7010](tel:5405077010)

Email address: epetrovitch@spotsylvania.va.us

6. Caroline designates the following individual as its contact persons for communications with the Commission regarding the review of the Agreement:

Charles M. Culley, Jr., County Administrator. Caroline County, Virginia

Physical Address: 212 N. Main Street
Bowling Green, VA 22427

Mailing Address: P.O. Box 447
Bowling Green, VA 22427

Phone: (804) 633-5380

Email address: cculley@co.caroline.va.us

Adopted by the Board of Supervisors of Spotsylvania County, Virginia this 12th day of November, 2024.

CERTIFICATE

The undersigned Clerk of the Board of Supervisors of Spotsylvania County, Virginia hereby certifies that the foregoing constitutes a true and correct copy of the Joint Resolution of Spotsylvania County, Virginia and Caroline County, Virginia Referring Their Proposed Economic Growth Sharing Agreement to the Commission on Local Government Review, adopted by the Board of Supervisors at a meeting held on November 12, 2024.

Date: November 12, 2024

[SEAL]



Clerk of the Board of Supervisors
Spotsylvania County, Virginia

Adopted by the Board of Supervisors of Caroline County, Virginia this 14th day of November, 2024.

CERTIFICATE

The undersigned Clerk of the Board of Supervisors of Caroline County, Virginia hereby certifies that the foregoing constitutes a true and correct copy of the Joint Resolution of Spotsylvania County, Virginia and Caroline County, Virginia Referring Their Proposed Economic Growth Sharing Agreement to the Commission on Local Government Review, adopted by the Board of Supervisors at a meeting held on November 14, 2024.

Date: _____, 2024

[SEAL]

Clerk of the Board of Supervisors
Caroline County, Virginia

DRAFT

Caroline County, Virginia

Board of Supervisors



Caroline County, VA



Jeffrey S. Black
Western Caroline District

Clayton T. Forehand
Madison District

Nancy L. Long
Port Royal District

Jeffery M. Sili
Bowling Green District

Floyd W. Thomas
Mattaponi District

Reginald L. Underwood
Reedy Church District

Charles M. Culley, Jr.
County Administrator

JOINT RESOLUTION OF SPOTSYLVANIA COUNTY, VIRGINIA AND CAROLINE COUNTY, VIRGINIA REFERRING THEIR PROPOSED ECONOMIC GROWTH SHARING AGREEMENT TO THE COMMISSION ON LOCAL GOVERNMENT FOR REVIEW

WHEREAS, Spotsylvania County, Virginia (“**Spotsylvania**”) and Caroline County, Virginia (“**Caroline**” and together with **Spotsylvania**, the “**Counties**”) have a history of cooperation in promoting regional economic development; and

WHEREAS, to further attract and promote regional economic development, Spotsylvania and Caroline have determined it is in the best interests of both Counties and their citizens, respectively, to enter into an Economic Growth Sharing Agreement (the “**Agreement**”) relating to the construction, development, and operation of a data center facility in an area in Caroline and Spotsylvania at their shared border, known as the Mattameade Tech Campus and further described and defined in the Agreement (the “**MTC Area**”), pursuant to which Spotsylvania will provide water, wastewater, recycled water, and sewer services to the MTC Area, in exchange for which the Counties will share tax revenue generated by the MTC Area for a fixed term; a copy of the Agreement is attached to this Resolution; and

WHEREAS, at its regular meeting held on November 12, 2024, the Board of Supervisors of Spotsylvania reviewed and considered the form of the Agreement; and

WHEREAS, at its regular meeting held on November 14, 2024, the Board of Supervisors of Caroline reviewed and considered the form of the Agreement; and

WHEREAS, §15.2-1301 of the Code of Virginia, as amended, provides that economic growth sharing agreements such as the Agreement shall be referred to the Virginia Commission on Local Government (the “**Commission**”) for review and the making of findings as to the probable effect of such agreements on the people residing in the area affected by such agreements; and

WHEREAS, 1 VAC50-20-382 requires that referral of such agreements to the Commission shall be accompanied by resolutions, joint or separate, of the governing bodies of the localities that are parties to such proposed agreements requesting that the

“Committed To Service, Dedicated To The People”

212 North Main Street, P. O. Box 447, Bowling Green, Virginia 22427

(804)633-5380 – Telephone (804)633-4970 – Fax

www.co.caroline.va.us

Commission review such agreements, stating the parties' intention to adopt such agreements, and providing certain information to the Commission.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF SPOTSYLVANIA COUNTY, VIRGINIA AND THE BOARD OF SUPERVISORS OF CAROLINE COUNTY, VIRGINIA THAT:

1. The Boards both find and determine that it is in the best interests of their respective County and their respective citizens to enter into the Agreement, and hereby approve the Agreement in substantially the same form as attached hereto.
2. The Boards (a) request that the Commission review the Agreement and issue its findings in accordance with the requirements of Code of Virginia § 15.2-1301 and (b) state their intention to adopt the Agreement in final form and direct that it be executed subsequent to the Commission's review.
3. The County Administrators and County Attorneys of both Counties are hereby respectively authorized and directed to refer the Agreement, together with all necessary data and materials, including, but not limited to, those materials identified in 1VAC50-20-612, to the Commission, and to take all other actions as may be required to accomplish the Commission's review of the Agreement.
4. The Boards authorize the advertisement of respective public hearings on the Agreement in accordance with §15.2-1301 of the Code of Virginia, as amended, at the December 10, 2024 regular meeting of each County, or as soon thereafter as may reasonably be held, to consider the Commission's issuance of its findings in accordance with subsection D of foregoing statute; however, no public hearing shall be held until after the Commission issues its findings.
5. Spotsylvania designates the following individual as its contact persons for communications with the Commission regarding the review of the Agreement:

Ed Petrovitch, County Administrator, Spotsylvania County, Virginia

Physical Address: 9104 Courthouse Road
Spotsylvania, VA 22553

Mailing Address: P.O. Box 99
Spotsylvania, VA 22553

Phone: (540) 507-7010

Email address: epetrovitch@spotsylvania.va.us

6. Caroline designates the following individual as its contact persons for communications with the Commission regarding the review of the Agreement:

Charles M. Culley, Jr., County Administrator. Caroline County, Virginia

Physical Address: 212 N. Main Street
Bowling Green, VA 22427

Mailing Address: P.O. Box 447
Bowling Green, VA 22427

Phone: (804) 633-5380

Email address: cculley@co.caroline.va.us

DRAFT

Adopted by the Board of Supervisors of Spotsylvania County, Virginia this ____ day of November, 2024.

CERTIFICATE

The undersigned Clerk of the Board of Supervisors of Spotsylvania County, Virginia hereby certifies that the foregoing constitutes a true and correct copy of the Joint Resolution of Spotsylvania County, Virginia and Caroline County, Virginia Referring Their Proposed Economic Growth Sharing Agreement to the Commission on Local Government Review, adopted by the Board of Supervisors at a meeting held on November ____, 2024.

Date: _____, 2024

[SEAL]

Clerk of the Board of Supervisors
Spotsylvania County, Virginia


Adopted by the Board of Supervisors of Caroline County, Virginia this 14th day of November, 2024.

CERTIFICATE

The undersigned Clerk of the Board of Supervisors of Caroline County, Virginia hereby certifies that the foregoing constitutes a true and correct copy of the Joint Resolution of Spotsylvania County, Virginia and Caroline County, Virginia Referring Their Proposed Economic Growth Sharing Agreement to the Commission on Local Government Review, adopted by the Board of Supervisors at a meeting held on November 14, 2024.

Date: November 15, 2024

[SEAL]



Clerk of the Board of Supervisors
Caroline County, Virginia

Appendix D

ECONOMIC GROWTH SHARING AGREEMENT

This Economic Growth Sharing Agreement (“**Agreement**”) is dated and effective as of _____, 2024 (the “**Effective Date**”), between and among the **COUNTY OF CAROLINE, VIRGINIA**, a Virginia political subdivision, (“**Caroline**”), and the **COUNTY OF SPOTSYLVANIA, VIRGINIA**, a Virginia political subdivision (“**Spotsylvania**,” and, together with Caroline, the “**Counties**”, either Spotsylvania or Caroline may also be referred to herein individually as “**party**” or together as “**parties**”).

WHEREAS, the Counties are authorized pursuant to Section 15.2-1300 et seq. (the “**Joint Exercise of Powers Act**”) of the *Code of Virginia* of 1950, as amended (the “**Virginia Code**”), to enter into agreements with other localities for the provision on a multi-jurisdictional basis of one or more public services or facilities or any type of economic development project, to enter into binding fiscal arrangements for fixed time periods, to exceed one year, to share in the benefits of the economic growth of their localities; and

WHEREAS, pursuant to that certain Economic Development Local Performance Agreement effective as of January 23, 2024 (the “**Caroline Performance Agreement**”) between Caroline and Amazon Data Services, Inc. (“**ADS**”), and pursuant to that certain Economic Development Local Performance Agreement effective as of February 8, 2024 (the “**Spotsylvania Performance Agreement**”) between Spotsylvania, the Economic Development Authority of the County of Spotsylvania, Virginia and ADS, ADS intends to construct, develop, and operate a Data Center facility in an area in Caroline at its border with Spotsylvania known as the Mattameade Tech Campus, that area, together with the areas of Spotsylvania County included in ADS’s development of the Mattameade Tech Campus, are further described in **Exhibit A** hereto (the “**MTC Area**”), with Water Utilities (as defined herein) supplied by and from Spotsylvania; and

WHEREAS, pursuant to that certain Water and Wastewater Services Agreement between Spotsylvania and ADS (the “**WSA**”), Spotsylvania will provide Water Utilities to the MTC Area; and

WHEREAS, in exchange for Spotsylvania’s provision of Water Utilities serving up to at least eleven (11) Data Centers in the MTC Area as part of the WSA or Spotsylvania’s provision of Water Utilities serving up to at least eleven (11) Data Centers in the MTC Area regardless of the WSA, the Counties wish to share tax revenue generated at the MTC Area in accordance with the terms of this Agreement; and

WHEREAS, Spotsylvania’s consideration in entering into the WSA includes Caroline’s commitment herein to share the Local Taxes with Spotsylvania for the entire term of this Agreement, expected by the to be forty (40) years from the date that at least 1,000,000 square feet of Data Center improvements are constructed and receive an occupancy permit in the MTC Area, so long as a Data Center is located on the MTC Area; and

WHEREAS, the parties desire to protect the consideration provided by Spotsylvania in entering into the WSA and this Agreement, pursuant to which Spotsylvania commits to providing Water Utilities serving up to at least eleven (11) Data Centers in the MTC Area, in exchange for which the Counties

commit to sharing tax revenue as set forth herein for the entire Term (as hereinafter defined) of this Agreement, and as further consideration Caroline desires to ensure that Spotsylvania County will be the sole provider of Water Utilities for at least the first eleven (11) Data Centers in the MTC Area, and all Data Centers in the MTC Area, if Spotsylvania County chooses to provide sufficient Water Utilities beyond the first eleven (11) Data Centers, for the entire Term of this Agreement and Caroline will not act to connect, or allow a connection, of any other Water Utilities to at least the first eleven (11) Data Centers in the MTC Area, and all Data Centers in the MTC Area, if Spotsylvania County chooses to provide sufficient Water Utilities beyond the first eleven (11) Data Centers the MTC Area; and

WHEREAS, pursuant to Section 15.2-1301 of the Joint Exercise of Powers Act, the Counties have submitted to the Commission on Local Government a draft of this Agreement and received findings from the Commission as provided under Section 15.2-1301(D); and

WHEREAS, pursuant to Section 15.2-1301 of the Joint Exercise of Powers Act, the Counties have held public hearings related to the sharing of revenues related to the MTC Area as set forth in this Agreement and taken all actions following such public hearings necessary to approve such Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements set forth herein, the parties hereby agree as follows:

I. INCORPORATION OF RECITALS. The recitals above are hereby fully incorporated into this Agreement by reference.

II. DEFINITIONS. The following terms shall be defined as follows:

“Data Center” means an industrial-scale facility that houses computing machines and their relative hardware equipment used or intended for the use of running and storing data associated with IT applications and services, regardless of whether it is operational or not.

“MTC Area” means the real property located in Spotsylvania and Caroline, as further described on **Exhibit A** hereto, and as the boundaries of such area may hereafter be adjusted via written agreement of the Counties.

“MTC Infrastructure” means the water, recycled water, and sewer improvements to be constructed by Spotsylvania and/or ADS in Spotsylvania to provide potable water, recycled water, and sewage service to the property line of the MTC Area in Spotsylvania County to meet the needs of ADS for the construction and operation of Data Centers and any other uses on the MTC Area. “MTC Infrastructure” does not include any infrastructure located in the MTC Area itself, which shall be constructed by ADS, its affiliates or subsidiaries.

“Local Taxes” shall mean all local taxes assessed and revenue received therefrom by each respective County relating to real and personal property, the operation of businesses located in the MTC Area, and any other taxable event within the MTC Area including, but not limited to, real property, personal property, machinery and tools, sales and use, food and beverage, lodging, transient occupancy,

business license, gross receipts, consumer utility, merchants' capital, and all other local taxes which will be interpreted as being inclusive rather than exclusive, plus any late fees, penalties or other charges paid in connection with such taxes whether currently assessed or assessed in the future. "Local Taxes" does not include any fees for Water Utilities which are to be solely owed to, and retained, by Spotsylvania.

"Term" shall mean the period of time starting on the Effective Date and ending on the first to occur of the following: (i) after the owner or occupant of the MTC Area receives an occupation permit and begins operations of the first Data Center in the MTC Area, and except in cases where operations have temporarily ceased for any period of time due to an event beyond the control of the owner or occupant of the MTC Area such as an act of God, labor strike, or any failure of utilities serving the MTC Area, the MTC Area has not be used in any way for the operation of a Data Center for a continuous period of six (6) months or more, and seventy five percent (75%) of personal property typically serving a Data Center has been removed from the MTC Area including, but not limited to, computer equipment including computing machines and their relative hardware equipment intended for the use of running and storing data associated with IT applications and services, and the MTC Area no longer utilizes or receives recycled water; or (ii) forty (40) years from the date that at least 1,000,000 square feet of Data Center improvements are constructed and receive an occupancy permit in the MTC Area. Notwithstanding (i) above, in no event shall this Agreement terminate prior to the expiration of the Caroline Performance Agreement with ADS. Spotsylvania will promptly notify Caroline in writing when at least 1,000,000 square feet of Data Center improvements are constructed and receive an occupancy permit in the MTC Area.

"Water Utilities" means water, wastewater, recycled water, and sewer utilities.

III. REVENUE SHARING. During the Term of this Agreement, the Counties hereby agree to the sharing of all Local Taxes received from the MTC Area after the payment of all grants and other incentive obligations provided for under the Caroline Performance Agreement and the Spotsylvania Performance Agreement, as follows: 57.5% Caroline; 42.5% Spotsylvania.

IV. OTHER MTC AREA INFRASTRUCTURE AND IMPROVEMENTS, CAPACITY, GUARANTY OF EXCLUSIVE SPOTSYLVANIA SERVICE TO MTC AREA FOR ENTIRE TERM. Any infrastructure located in the MTC Area related to, or connecting to, the MTC Area Infrastructure will be undertaken, and the related costs borne, by ADS and will not be undertaken, and the costs will not be borne, by either County. Any and all connections to the MTC Area Infrastructure must, at the point of connection, meet any and all requirements and conditions of Spotsylvania as determined by Spotsylvania in its sole discretion. Spotsylvania will retain its sole right to limit the amount of utilities provided through the MTC Area Infrastructure to the MTC Area and conditions of connection through the Spotsylvania WSA or its service agreements with the other owners or occupants of the MTC Area and is under no obligation to extend services or service capacity beyond the MTC Area; provided, however, Spotsylvania commits to providing Water Utilities serving up to at least eleven (11) Data Centers in the MTC Area during the Term. In exchange for this commitment, Caroline will not provide any Water Utilities to the MTC Area and Caroline will not allow the connection of any Water Utilities to the MTC Area except as provided by Spotsylvania, as set forth herein. Caroline further agrees that should it create any authority or other separate entity to provide any Water Utilities to Caroline County, Caroline will, in its act to create said authority or other separate entity, including, but not limited to, in any

legislation and in governing documents, include the limitation set forth herein to limit the authority or other separate entity from providing Water Utilities to the MTC Area for the entirety of the Term. Caroline agrees that this will protect Spotsylvania's consideration herein to even further ensure that Caroline will share the Local Taxes for the entire Term. Notwithstanding the foregoing, after eleven (11) Data Centers are built on the MTC Area, and should Spotsylvania specifically confirm in writing to Caroline that it will not provide any Water Utilities to any additional Data Centers within the MTC Area beyond eleven (11), then Caroline may provide or allow the provision of any Water Utility Services not provided by Spotsylvania only to those additional Data Centers beyond the first eleven (11) Data Centers constructed on the MTC Area in Caroline County. In the event Water Utility Services are provided by an entity other than Spotsylvania to those additional Data Centers beyond the first eleven (11) Data Centers constructed on the MTC Area in Caroline County, the revenue sharing set forth herein will not be impacted and the Local Taxes related to the first eleven (11) Data Centers constructed on the MTC Area in Caroline County will continue to be shared between Spotsylvania and Caroline at the rates set forth herein for the entire Term, but will exclude any Local Taxes realized through the construction of any additional Data Centers beyond the first eleven (11) on the MTC Area not served by Spotsylvania Water Utilities.

V. **MODIFICATION OF THE MTC AREA.** The Counties may specifically agree in writing to add to or remove parcels or portions thereof from the MTC Area after the date hereof.

VI. **PROCEDURES FOR REVENUE SHARING.** The Counties agree that the revenue sharing set forth in Section III shall be calculated by the Finance staff for each of the Counties in which each parcel included in the MTC Area resides using tax revenue information provided by the Counties' Commissioners of Revenue, the Counties' Treasurers, or the taxpayer(s) directly. The Finance Department of Spotsylvania shall serve as project accountant (**the "Project Accountant"**) for purposes of the revenue sharing in the MTC Area. This procedure is necessarily subject to, and conditioned upon: (1) ADS authorizing the Counties' Commissioners of Revenue and the Counties' Treasurers to share the aforementioned tax revenue information with the Counties that would help determine the taxes to be levied and the revenue derived therefrom whether held by the Commissioners, the Treasurers, or ADS or its agents (**the "Tax Information"**), in a form approved by the Counties' Commissioners of Revenue, and the Counties' Treasurer so as to allow the Commissioners of Revenue and Treasurers to share the Tax Information with the Counties for the sole and limited purposes of administering this Agreement (**the "Authorization"**); or (2) ADS otherwise sharing the Tax Information directly with the Counties and the Project Accountant should the Commissioners of Revenue or Treasurers refuse to do so. Therefore, the Counties, acting together or independently, will contractually, through lawfully imposed conditions, and through any other lawful means, require the Authorization or require, in the event either Commissioner of Revenue or Treasurer refuses to provide said Tax Information to the Counties, that ADS provide the Tax Information directly to the Counties. The Counties will request that the Commissioner of Revenue and Treasurer of each County provide the Project Accountant semi-annual reports by January 31 and July 31 reporting all Local Taxes allocable to the MTC Area and paid during the preceding six month period (July 1-December 31 and January 1-June 30). The Project Accountant will prepare a reconciliation report, within sixty (60) days of receipt of the semi-annual report from each County, within sixty (60) days of receipt of the raw information from the Commissioners of Revenue and Treasurers of each County should no report be provided, or within sixty (60) days of receipt of the raw information provided by ADS should no information be provided by the Commissioners of Revenue and Treasurers, providing the Project Accountant's calculation of the revenue share and the net payment due to Caroline or Spotsylvania as

appropriate thereunder. The net payment shall be made by the respective County within 45 days of receipt of the report from the Project Accountant, unless challenged by either party as provided for in Section VII. The Project Accountant's, and the Counties' responsibilities and liabilities in this Section VI are conditioned upon, and subject to, having received the necessary information required herein within the timeframes required herein and will be allowed a corresponding day-for-day delay for every day the information is not provided to them. The parties agree and acknowledge that all Tax Information shared pursuant to this provision shall remain confidential to the fullest extent permitted under applicable law.

VII. RIGHT OF AUDIT. The Counties have the right to audit the other or the Project Accountant to ensure compliance with this Agreement. The costs of any audit hereunder will be paid by the auditing party and not the party being audited but neither party shall be liable to the other for any administrative costs or costs of cooperation or participation related to an audit. The parties agree to participate with any audit and provide any documents reasonably requested by the other. Any audit shall be conducted under reasonable terms and conditions, and the access required herein shall not be unreasonably withheld or delayed.

VIII. OBLIGATION TO LEVY, ASSESS, AND COLLECT TAXES, OBLIGATION TO NOT EXEMPT. The Counties agree, to the fullest extent of the law, to fully levy and assess any and all Local Taxes. The Counties agree, to the fullest extent of the law, to fully collect and defend any and all Local Taxes. The Counties agree, to the fullest extent of the law, to not exempt any property or taxable events within the MTC Area in the future which is within the power of the respective Counties to exempt, whether exclusively applying to the MTC Area or applying to all such property or taxable events in the locality which will include the MTC Area, and to cooperate with each other in any action to lobby against any attempt by the General Assembly to exempt any property or taxable events within the MTC Area or to reduce, by General Assembly legislation rather than market valuation, the value of taxable property or taxable events within the MTC Area, whether exclusively applying to the MTC Area or applying to all such property or taxable events in the Commonwealth which will include the MTC Area.

IX. BREACH. Should either party find the other in breach of this Agreement, the non-breaching party shall provide the breaching party written notice of the specific breach and allow for a reasonable time to cure the breach before the non-breaching party may take any action to address the breach. In the case of non-payment, the breaching party shall have sixty (60) days to cure the breach before further action is taken by the non-breaching party. The non-breaching party shall have all available remedies under the law except that neither party shall terminate this Agreement for a breach thereof.

X. TERMINATION OF AGREEMENT. This Agreement shall terminate upon the expiration of the Term, unless otherwise specifically agreed to in writing by both Counties. Upon termination of this Agreement, any revenue sharing shall cease, however, the Counties will remain obligated to pay any payments due to revenue sharing accruing and payable but not yet paid for prior and current fiscal years.

XI. ASSIGNMENT. The Counties may not assign their rights and obligations under this Agreement without the written consent of the other party, provided that such provision shall not restrict the ability of the Counties to pledge the full faith and credit or the revenues of any revenue-generating operation to bonds or other obligations of the respective County which may include revenues or taxes

related to the MTC Area; provided, however, that any such pledge shall not reduce the amounts to be paid under this Agreement.

XII. DISCLAIMER. No provision of this Agreement shall be construed or interpreted as creating a pledge of the faith and credit of the Counties within the meaning of any constitutional debt limitation. No provision of this Agreement shall be construed or interpreted as delegating governmental powers nor as a donation or a lending of the credit of the Counties within the meaning of the Virginia Constitution. This Agreement shall not directly or indirectly obligate the Counties to make any payments beyond those appropriated for the purposes set forth herein in the sole discretion of the Board of Supervisors of Caroline and Spotsylvania respectively. No provision of this Agreement shall be construed to pledge or to create a lien on any asset or source of the Counties' moneys. To the extent of any conflict between this section and any other provision of this Agreement, this section takes priority.

XIII. NO ANNEXATION. The Counties agree that neither shall attempt to annex any portion of the MTC Area, and neither will use this Agreement or the covenants and actions taken pursuant to it as the basis for any annexation action.

XIV. MISCELLANEOUS.

- A. Governing Law. The law of the Commonwealth of Virginia will govern this Agreement, and the exclusive venue for actions regarding this Agreement will be the Spotsylvania County Circuit Court.
- B. Spotsylvania's Utility Fees. Notwithstanding anything herein to the contrary, this Agreement will not be interpreted to pay over, divest, allocate, or pledge any revenues of Spotsylvania related to its utility fees to Caroline or any third party. Spotsylvania will retain its utility fees related to the services provided to the MTC Area.
- C. No Warranties. The Counties agree to provide reasonable access to each other in the MTC Area to conduct investigations, inspections and tests in the MTC Area reasonably required to determine the condition in the MTC Area. Neither of the Counties make any representation nor warranty as to rights of easement, rights of way or rights of access to the MTC Area or easements, rights of way or other encumbrances on the MTC Area.
- D. Communications. Any communication under this Agreement shall be sufficiently given when delivered by hand or by first-class certified mail, postage prepaid, as follows:
 - a. If to Caroline:
County Administrator
Caroline County
212 North Main Street, Post Office Box 447
Bowling Green, Virginia 22427

- b. With a copy to:
Caroline County Attorney
Sands Anderson PC
919 East Main Street, Suite 2300, Post Office Box 1998
Richmond, Virginia 23219
- c. If to Spotsylvania:
County Administrator
Spotsylvania County
9104 Courthouse Road, Post Office Box 99
Spotsylvania, Virginia 22553
- d. With a copy to:
County Attorney
Spotsylvania County
9105 Courthouse Road, Post Office Box 308
Spotsylvania, Virginia 22553

- E. Entire Agreement; Amendments. This Agreement constitutes the entire contract between the parties and may not be changed except in writing signed by all parties to this Agreement.
- F. Binding Effect. This Agreement is binding upon the parties and their respective successors and assigns.
- G. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same instrument.
- H. Severability. If any court of competent jurisdiction holds any provision of this Agreement invalid, then (a) such holding shall not invalidate any other provision of this Agreement, unless such provision is contingent on the invalidated provision; and (b) the remaining terms shall constitute the parties' entire agreement.
- I. Time of the Essence. Time shall be of the essence of all provisions of this Agreement.
- J. Litigation. Attorney's fees shall not be recoverable by the prevailing party in the event this Agreement is subject to litigation.
- K. Additional Reports. The parties agree to provide each other the reports required of the parties in Virginia Code Section 15.2-1301 (A).
- L. Consents. Any consent, agreement, or approval required or allowed for under this Agreement, must be accompanied by a resolution approved by the Board of Supervisors of the consenting County.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers.

COUNTY OF CAROLINE, VIRGINIA

By: _____

Title: _____

DATE: _____

**COUNTY OF SPOTSYLVANIA,
VIRGINIA**

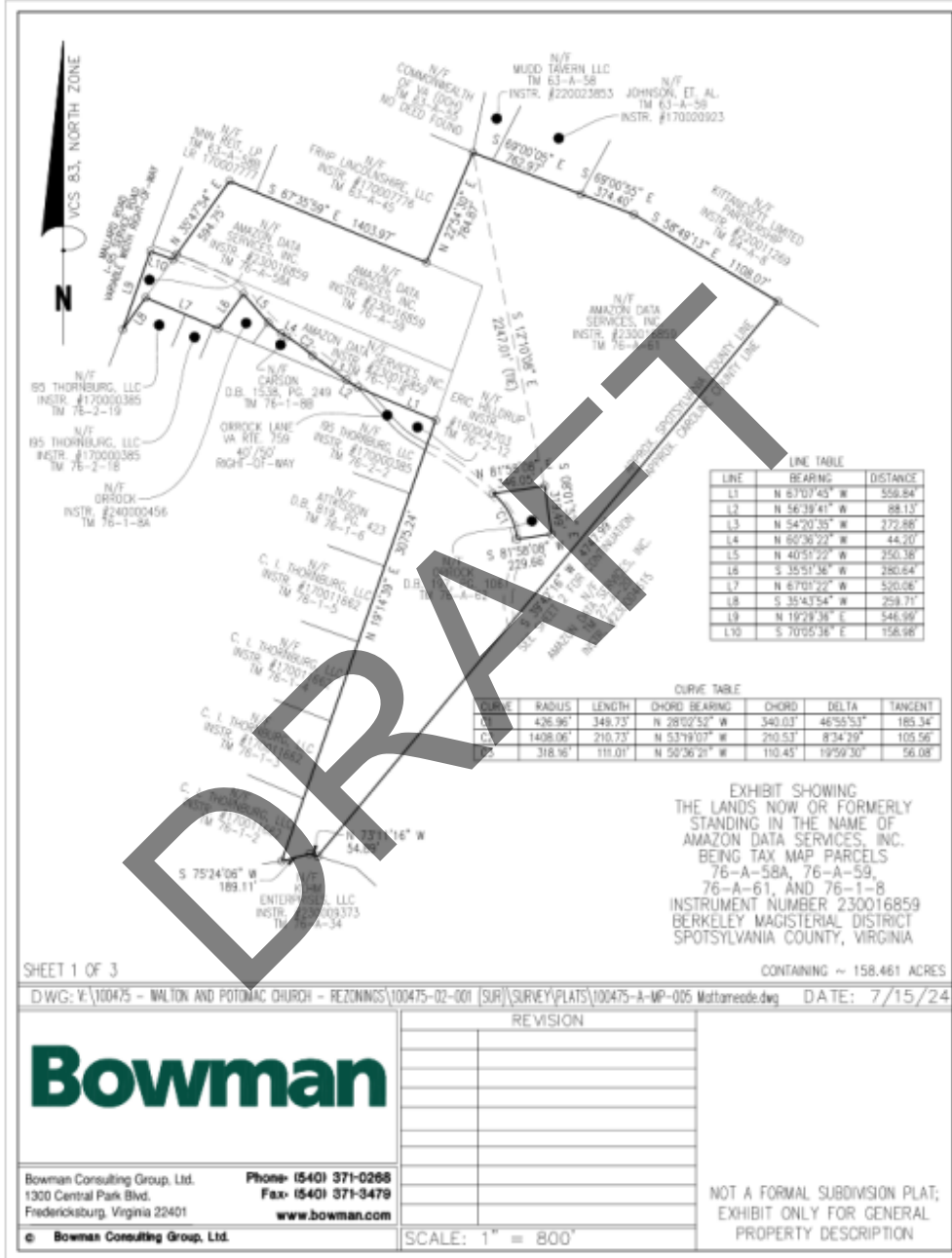
By: _____

Title: _____

DATE: _____

DRAFT

Exhibit A
Description of the MTC Area

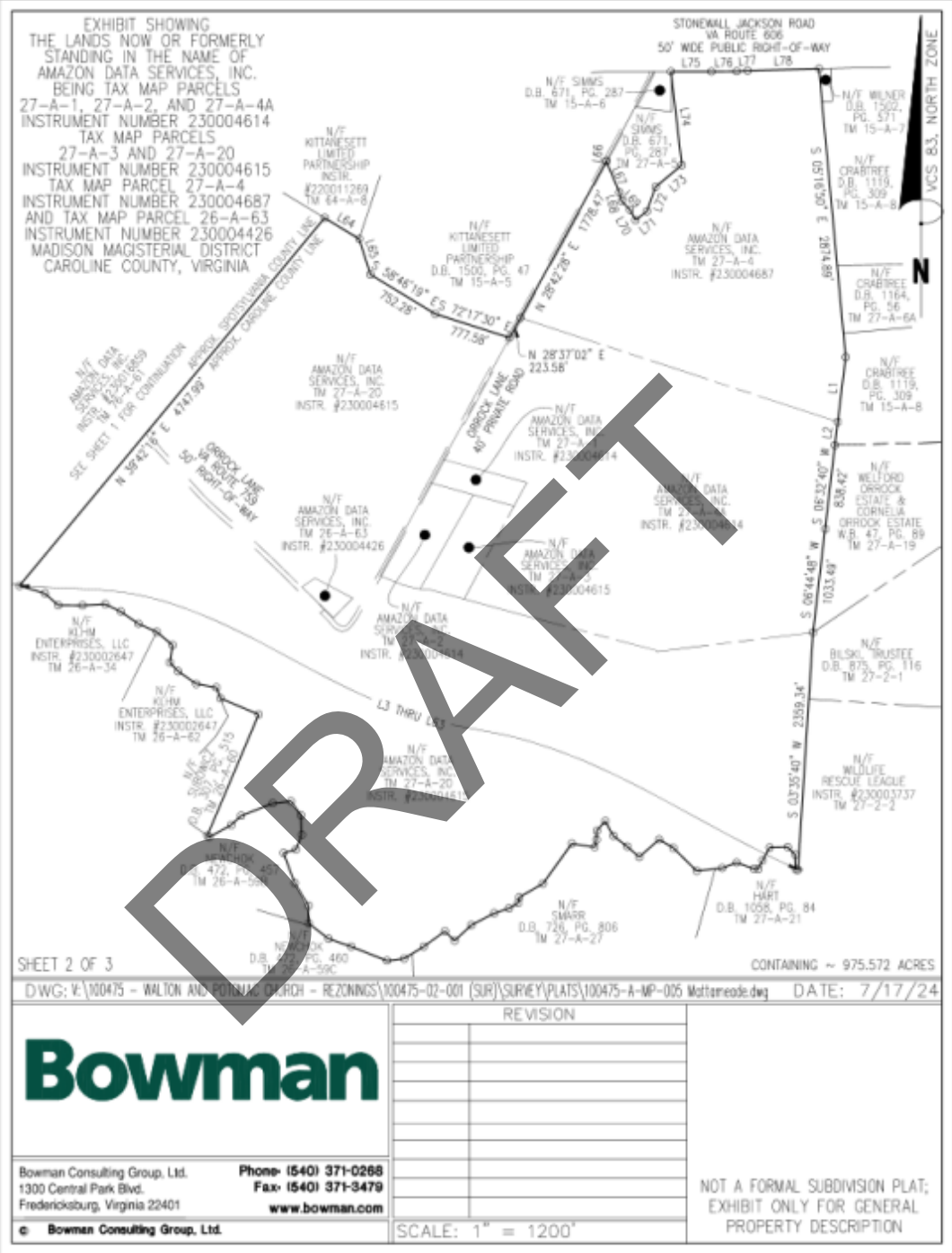


SHEET 1 OF 3

CONTAINING ~ 158.461 ACRES

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<h1>Bowman</h1>	REVISION	
Bowman Consulting Group, Ltd. 1300 Central Park Blvd. Fredericksburg, Virginia 22401 Phone: (540) 371-0266 Fax: (540) 371-3479 www.bowman.com	NOT A FORMAL SUBDIVISION PLAT; EXHIBIT ONLY FOR GENERAL PROPERTY DESCRIPTION	SCALE: 1" = 800'



Consisting of approximately 916.07 acres.

LINE	BEARING	DISTANCE
L1	S 07°01'06" W	648.05
L2	S 07°07'49" W	232.78
L3	N 85°17'56" W	22.13
L4	N 02°23'34" W	146.74
L5	N 44°52'07" W	105.67
L6	S 86°21'19" W	180.19
L7	S 29°14'46" W	143.63
L8	S 25°29'10" W	96.50
L9	N 87°59'03" W	44.36
L10	N 70°02'20" W	183.56
L11	S 69°07'24" W	153.19
L12	S 83°39'00" W	294.33
L13	N 45°48'24" W	327.90
L14	N 58°46'09" W	162.34
L15	S 48°36'29" W	263.69
L16	N 48°44'50" W	159.01
L17	N 52°32'17" W	173.55
L18	N 28°52'48" W	164.70
L19	S 41°19'25" W	128.53
L20	S 02°16'39" W	87.69
L21	S 14°04'30" W	74.76
L22	N 81°18'06" W	229.07
L23	S 35°45'53" W	489.47
L24	S 60°03'41" W	271.46
L25	S 12°12'35" W	58.72
L26	S 59°38'56" W	104.72
L27	S 71°45'15" W	196.40
L28	S 62°27'19" W	255.67
L29	S 47°14'44" W	225.97
L30	N 45°41'47" W	333.73
L31	S 54°26'43" W	155.62
L32	S 57°31'01" W	175.89
L33	S 83°27'31" W	172.83
L34	N 68°18'14" W	389.81
L35	N 71°01'32" W	231.22
L36	S 67°16'56" W	251.01
L37	S 60°00'50" W	175.49
L38	N 31°17'55" W	262.09
L39	N 20°22'11" W	318.99

LINE	BEARING	DISTANCE
L40	N 74°19'41" E	128.14
L41	N 21°38'33" E	157.02
L42	N 02°29'44" W	193.51
L43	N 35°36'37" W	171.62
L44	S 83°24'25" W	182.70
L45	S 68°33'04" W	336.99
L46	S 46°53'24" W	134.88
L47	S 61°37'53" W	247.90
L48	N 54°45'47" W	23.93
L49	N 22°59'10" E	1365.77
L50	N 67°00'50" W	411.45
L51	N 20°29'02" W	113.89
L52	N 79°42'43" W	204.52
L53	N 55°05'29" W	220.56
L54	N 42°58'02" W	119.02
L55	N 09°12'54" E	173.82
L56	N 50°28'50" W	206.44
L57	N 61°01'16" W	198.04
L58	S 03°19'47" W	214.71
L59	S 44°29'43" W	170.44
L60	S 86°29'42" W	126.30
L61	N 89°33'42" W	341.83
L62	N 48°04'54" W	135.03
L63	N 73°11'16" W	264.86
L64	N 68°39'13" E	401.48
L65	S 77°20'41" E	372.02
L66	S 06°18'29" W	4.77
L67	S 22°48'58" E	335.50
L68	S 13°49'13" E	88.96
L69	S 44°31'09" E	120.65
L70	S 28°08'40" E	117.46
L71	N 55°26'14" E	143.11
L72	N 19°04'08" E	255.44
L73	N 50°23'57" E	341.08
L74	N 06°39'03" W	934.56
L75	S 89°57'11" E	402.26
L76	N 89°28'20" E	249.83
L77	N 85°43'37" E	110.12
L78	N 86°35'24" E	750.30



SHEET 3 OF 3

D:\WG:V\100475 - WALTON AND POTSMAC CHURCH - REZONINGS\100475-02-001 (SUR)\SURVEY\PLATS\100475-A-MP-005 Mottareade.dwg DATE: 7/17/24



Bowman Consulting Group, Ltd. Phone: (540) 371-0268
 1300 Central Park Blvd. Fax: (540) 371-3479
 Fredericksburg, Virginia 22401 www.bowman.com

© Bowman Consulting Group, Ltd.

REVISION

SCALE: 1" = 1200'

NOT A FORMAL SUBDIVISION PLAT;
 EXHIBIT ONLY FOR GENERAL
 PROPERTY DESCRIPTION

Appendix E

ECONOMIC DEVELOPMENT LOCAL PERFORMANCE AGREEMENT

This Economic Development Local Performance Agreement (the “Agreement”) is entered into as of the Effective Date by and between Amazon Data Services, Inc., a Delaware corporation (the “Company”), the Economic Development Authority of the County of Caroline, Virginia, a political subdivision of the Commonwealth of Virginia (the “Authority”) and the County of Caroline, Virginia, a political subdivision of the Commonwealth of Virginia (the “County”), and describes the agreement between the Parties relating to an economic development project to assist the Company in the location of the Company’s data center facilities in the County. The Company, the Authority and the County may be referred to herein individually as a “Party” or collectively as the “Parties.” Capitalized terms used in this Agreement have the meanings assigned them in the Recitals and Section I.

RECITALS:

WHEREAS, the County is vitally interested in the economic welfare of its citizens, the creation and maintenance of sustainable jobs for its citizens, and the development of new infrastructure to serve its citizens, and therefore wishes to provide the necessary conditions to stimulate investment in the local economy and promote business, resulting in the creation of a substantial investment in the County, and to encourage economic growth and development opportunities; and

WHEREAS, the Company is engaged in the development and operation of data centers, including through direct ownership and third-party partners; and

WHEREAS, the Company has proposed to build, develop, and operate data center facilities at locations in the County, the first of which will be a location known as the Mattameade Tech Campus (the “MTC”), as further described in Exhibit A hereto, which may be followed by additional sites developed in future phases (collectively, the “Sites”); and

WHEREAS, to build, develop, and operate data center facilities at the Sites, the Company intends to make, or cause to be made, billions of dollars of Capital Investment in the County and create, or cause to be created, more than one hundred New Full-Time Jobs in the County which collective development, job creation, and Capital Investment in the County will be referred to herein as the “Project”; and

WHEREAS, time is of the essence in developing the Project, and the County desires to work with the Company and its agents to provide fast track review of various zoning, permits, inspections, and other actions necessary to allow the Project to proceed (the “Permitting Package”); and

WHEREAS, the Company and the County intend to implement processes and specify and develop the necessary infrastructure to support the Project, including water, sewer, and recycled water, which for the MTC site will include coordination with the County of Spotsylvania, if and when the Sites have been identified by the Company, received all necessary approvals from the

County, and otherwise are ready for development. The County's commitments to support infrastructure requirements will be referred to herein as the "Utility Package"; and

WHEREAS, to encourage the Project and additional data center development, the County and the Authority desire to support infrastructure built, or caused to be built, by the Company by providing incentives to the Company in the form of the Annual Infrastructure Grants and Investment Performance Grants described in Sections III and IV of the Agreement, respectively; and

WHEREAS, Subsection 43 of Section 58.1-3506(A) of the Code of Virginia (the "Code") authorizes local governments to declare computer equipment and peripherals, as defined in Section 58.1-3295.3(A) of the Code (the "Computer Equipment"), used in a data center to be a separate class of property and will constitute a classification for local taxation separate from other classifications of tangible personal property; and

WHEREAS, the County has enacted by recorded affirmative vote of a majority of the Caroline County Board of Supervisors on April 20, 2021 such classification which will tax the Computer Equipment used in a data center, as defined in Subsection 43 of Section 58.1-3506(A) of the Code, at a rate of no more than \$1.25 per \$100 of assessed value, and the Commissioner of Revenue has provided for an accelerated depreciation schedule for such Computer Equipment compared to other classifications of tangible personal property in the County as further described herein (the "Tax Package"); and

WHEREAS, the provision of the Annual Infrastructure Grants, Investment Performance Grants, Permitting Package, Utility Package, and Tax Package were important factors in the Company's decision to make Capital Investments and create jobs in the County; and

WHEREAS, the General Assembly of the Commonwealth of Virginia has enacted § 59.1-284.42 of the Code, known as the Cloud Computing Cluster Infrastructure Grant Fund (the "Grant Fund Program"), which provides grants by the Commonwealth of Virginia (the "Commonwealth") for infrastructure and workforce development to data center companies that meet certain job creation and capital investment targets; and

WHEREAS, the Grant Fund Program requires that the Commonwealth grants are matched on a two-for-one basis (the "Local Match") by the locality in which a data center company will build, or cause to be built, a new facility, and the County desires to provide the Local Match to encourage additional data center development; and

WHEREAS, the Company and the Virginia Economic Development Partnership ("VEDP") intend to enter into a Memorandum of Understanding (the "Company and VEDP MOU") identifying the estimated grant amount the Company is entitled to receive under the Grant Fund Program as well as capital investment and job creation timelines; and

WHEREAS, the County recognizes that the Project will bring direct and indirect benefits to the County that constitute a valid public purpose for the use of public funds, including New Full Time Jobs and stimulating additional tax revenue and economic activity, and has offered to provide

the Annual Infrastructure Grants, Investment Performance Grants, Permitting Package, Utility Package, and Tax Package to induce development of the Project, thereby increasing the County's tax base, attracting additional businesses, and creating New Full-Time Jobs in the County; and

WHEREAS, the County may act in cooperation with or through the Authority to fulfill its commitments under this Agreement; and

WHEREAS, the County, the Authority and the Company acknowledge that the Company's decision to locate the Project in the County resulted from the availability of the Grant Fund Program, Annual Infrastructure Grants, Investment Performance Grants, Utility Package, Permitting Package, and Tax Package; and

WHEREAS, the County, the Authority, and the Company acknowledge that the Company's intended Capital Investments and the revenue derived therefrom together with the New Full-Time Jobs are the consideration to induce the County and the Authority to enter into this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements set forth herein, the Parties hereby agree as follows:

I. DEFINITIONS. For the purposes of this Agreement, unless defined elsewhere in this Agreement, the following terms will have the following meanings:

"Agreement" is defined in the Preamble.

"Annual Infrastructure Grants" is defined in Section III(A).

"Authority" is defined in the Preamble.

"Capital Investments" means an investment by or on behalf of the Company for the Project on or after January 1, 2023, but prior to July 1, 2050, by purchase or lease, in real property, tangible personal property, or both, at a facility that is properly chargeable to a capital account or would be so chargeable with a proper election.

"Code" is defined in the Recitals.

"Commonwealth" is defined in the Recitals.

"Company" is defined in the Preamble.

"Company and VEDP MOU" is defined in the Recitals.

"Computer Equipment" is defined in the Recitals.

"Confidential Information" is defined in Section XII(E).

“County” is defined in the Preamble.

“Dispute” is defined in Section XII(B).

“Effective Date” is the date upon which all Parties have signed this Agreement, and the Caroline County Board of Supervisors and the Authority’s Board of Directors have voted to approve this Agreement.

“Force Majeure Event” means, in respect of a Party, any event or occurrence that is not within the reasonable control of that Party or its affiliates, and prevents that Party from performing its obligations under this Agreement, including any of the following events and occurrences (provided that it meets the foregoing requirements): any act of God; act of a public enemy; war; riot; sabotage; blockage; embargo; failure or inability to secure materials, supplies, or labor through ordinary sources; labor strike, lockout, or other labor or industrial disturbance (whether or not on the part of agents or employees of a Party); civil disturbance; terrorist act; power outage; fire; flood; windstorm; hurricane; earthquake; landslides; lightning; tornadoes; storms; washouts; droughts; or other casualty; insurrection; epidemic; pandemic; arrests; restraint of government and people; quarantine; explosions; breakage or accident to machinery, transmission pipes, or canals; partial or entire failure of utilities; any change in law, order, regulation, or other action of any governing authority; or any other event or occurrence not within the reasonable control of that Party or its affiliates, including insufficient or unavailable utilities for the Project.

“Grant Fund Program” is defined in the Recitals.

“Incremental Tax Revenue” means the increase in real and personal property taxes generated at the Sites in a given tax year, compared to the real and personal property taxes generated at the Sites during the tax year ended December 31, 2022, which will include any rollback taxes due as a result of rezonings of the Sites approved by the Caroline County Board of Supervisors on October 24, 2023. Exhibit A states the amount of real and personal property taxes generated at the Sites described on it during the tax year ended December 31, 2022.

“Infrastructure Costs” means costs incurred by or on behalf of the Company or the Company’s designees related to fiber, water, wastewater, and stormwater facilities; gas pipelines; electrical transmission and distribution lines; transportation; and planning, design, site clearing, grading and other capital improvements to support the construction and development of the Project.

“Investment Performance Grants” is defined in Section IV(A).

“Local Match” is defined in the Recitals.

“Maximum Infrastructure Costs Reimbursement Amount” means (i) 10% of Infrastructure Costs through June 30, 2040, or (ii) \$86,214,000, whichever is smaller, subject to adjustment pursuant to Sections III(D) and IX(D).

“MTC” is defined in the Recitals.

“New Full-Time Jobs” means job positions created on or after January 1, 2023, in which the employee works on or for the Project, and for which the Company provides standard fringe benefits. A New Full-Time Job will require a minimum of either (i) 35 hours of an employee’s time per week for the entire normal year of the employer’s operations, which normal year will consist of at least 48 weeks, or (ii) 1,680 hours per year. Seasonal or temporary positions will not qualify as New Full-Time Jobs. Positions created after January 1, 2023, by contractors that are dedicated full-time to providing operational services for the Project may constitute New Full-Time Jobs but will not exceed 20% of the number of New Full-Time Jobs set forth in Section II(B) of this Agreement.

“Party” and “Parties” are defined in the Preamble.

“Permitting Package” is defined in the Recitals and Section V.

“Project” is defined in the Recitals.

“Single Point of Contact” is defined in Section V(D).

“Sites” is defined in the Recitals.

“Tax Legislation Rate” is defined in Section VII(A).

“Tax Package” is defined in the Recitals.

“Utility Package” is defined in the Recitals.

“VEDP” is defined in the Recitals.

“Water Services Agreement” means an agreement between the Company and the County to specify the Company’s potable and non-potable water and wastewater requirements and the necessary infrastructure to support those requirements.

II. COMPANY INVESTMENT AND JOB CREATION

A. COMPANY CAPITAL INVESTMENT AND INFRASTRUCTURE. During the term of this Agreement, the Company expects to invest, or cause to be invested, in the County at least \$6,000,000,000 in Capital Investments relating to the Project, which includes an estimated \$862,140,000 in anticipated Infrastructure Costs related to the Sites. The Parties acknowledge that dollar figures regarding Infrastructure Costs are projections based on good faith estimates only as of the Effective Date. Nothing in this Agreement will be construed as permitting the County to compel the Company to make investments.

B. JOB CREATION

1. The Company intends to create and maintain more than one hundred New Full-Time Jobs during the term of this Agreement.
2. The Company intends to work with local, regional, and state organizations, which may include one or more local community colleges, to identify and train local candidates for New Full-Time Jobs.
3. The Parties acknowledge that the estimate of New Full-Time Jobs provided in this Section II(B) is an estimate provided for informational purposes only. Nothing in this Agreement will be construed as permitting the County to compel the Company to create jobs.

C. REPORTING

1. The Company must send to the County and the Authority copies of all reports required under the Company and VEDP MOU specific to the Company's activities in the County, including performance reports and annual reports, to document the cost of the Capital Investments and the amount of Infrastructure Costs incurred in the County, and the number of New Full-Time Jobs. The Company will, and also hereby authorizes the County's Commissioner of Revenue to, disclose to the County and the Authority real and personal property tax bills for the Sites for each tax year during the term of this Agreement and confirmation that the Company's tax liability has been satisfied. The County and the Authority may use the information disclosed by the Commissioner of Revenue pursuant to the preceding sentence solely for the purpose of calculating Incremental Tax Revenue, Annual Infrastructure Grants, Investment Performance Grants, and additional grants payable pursuant to Section VII(B).
2. The Company will also annually furnish a report that demonstrates the manner in which the Capital Investments and Infrastructure Costs were calculated. A sample report is attached as Exhibit D but the form of any actual reports provided by the Company pursuant to this Section may vary based on the final form of the reports provided pursuant to Section II(C)(1). To the extent that the County or the Authority has questions about the reports supplied by the Company with respect to the Company's Capital Investments and Infrastructure Costs, the Parties will engage in good faith efforts to resolve such questions and, upon the County's reasonable request, the Company will furnish back-up documentation sufficient to verify the accuracy and completeness of such reports, and to demonstrate the manner in which the Capital Investments and Infrastructure Costs were calculated.
3. The County may publish an annual report that includes the aggregate Capital Investments, aggregate Infrastructure Costs, and aggregate New Full-Time Jobs stated in the Company's reports provided pursuant to Sections II(C)(1) and II(C)(2). Such annual report may include the total amount of annual payments made by the

Authority as Annual Infrastructure Grants and Investment Performance Grants as well as the amount paid by the Company to the County pursuant to Section IX(E), if any.

III. COUNTY ECONOMIC DEVELOPMENT INCENTIVES – ANNUAL INFRASTRUCTURE GRANTS

- A. The County will, subject to Section XII(N), provide funds to the Authority for purposes of paying annual grants to the Company (the “Annual Infrastructure Grants”) each in an amount equal to 60% of Incremental Tax Revenue (regardless of the amount of reported Infrastructure Costs in a specific year) but which in total will not exceed the Maximum Infrastructure Costs Reimbursement Amount.
- B. Annual Infrastructure Grants will be paid to the Company by the Authority and will be subject to annual appropriation by the Caroline County Board of Supervisors. The Authority will pay Annual Infrastructure Grants to the Company each year within 90 days of the County’s receipt of the Company’s payment of its annual property taxes and the documentation required by Section II(C) of this Agreement, beginning in the first year in which the Company commences construction on the Project. The County and the Authority will reasonably assist the Company with completion of the payment process in accordance with this Agreement. At the County’s written request, the Company will make a presentation including a Project overview to both the County Board of Supervisors and Authority prior to the payment of the first Annual Infrastructure Grant.
- C. In the event the Parties disagree on the amount or schedule of the Annual Infrastructure Grants, the Parties will seek to resolve the disagreement pursuant to the process set forth in Section XII(B).
- D. At any time, the Company may provide notice to the County that it will forego reimbursement for Infrastructure Costs incurred after the date stated in that notice. If the Company provides notice to the County pursuant to this Section III(D), the Maximum Infrastructure Costs Reimbursement Amount will be calculated based on the Company’s total Infrastructure Costs incurred through the date stated in that notice, instead of through June 30, 2040.
- E. Subject to Section XII(N), the County’s obligation to pay Annual Infrastructure Grants that are due, owing and unpaid as of the date of termination will survive the termination of this Agreement.

IV. COUNTY ECONOMIC DEVELOPMENT INCENTIVES – INVESTMENT PERFORMANCE GRANTS

- A. If (i) total Capital Investments are greater than or equal to \$6,000,000,000 and (ii) the sum of all Annual Infrastructure Grants paid by the Authority to the Company is equal to the Maximum Infrastructure Costs Reimbursement Amount, then the

County will, subject to Section XII(N), provide funds to the Authority for purposes of payment of additional annual grants to the Company (the “Investment Performance Grants”) each in an amount equal to the percentage of Incremental Tax Revenue stated in the below table. Investment Performance Grants will be paid by the Authority to the Company beginning in the first tax year after the conditions stated in this Section IV(A) have been satisfied and in each year thereafter during the term of this Agreement.

Total Capital Investments	Percentage of Incremental Tax Revenue to be Paid to Company as Investment Performance Grant
\$6 billion to \$10 billion	10%
Over \$10 billion to \$15 billion	15%
Over \$15 billion	20%

- B. Investment Performance Grants will be paid to the Company by the Authority and will be subject to annual appropriation by the Caroline County Board of Supervisors. The Authority will pay Investment Performance Grants to the Company each year within 90 days of the County’s receipt of the Company’s payment of its annual property taxes and the documentation required by Section II(C) of this Agreement. The County and the Authority will reasonably assist the Company with completion of the payment process in accordance with this Agreement.
- C. In the event the Parties disagree on the amount or schedule of the Investment Performance Grants, the Parties will seek to resolve the disagreement pursuant to the process set forth in Section XII(B).
- D. Subject to Section XII(N), the County’s obligation to pay Investment Performance Grants that are due, owing, and unpaid as of the date of termination will survive the termination of this Agreement.

V. PERMITTING PACKAGE

The County understands time is of the essence and plan review, permitting, and construction delays may impact the Company’s ability to meet its targets set forth in this Agreement. The County commits to using best efforts to act to effect the development of the Project at the Sites and to assist with, within the scope of its authority but reserving all legislative discretion as to the exercise of eminent domain, the completion of all infrastructure for the Project, including the following actions:

- A. Implement a fast-track plan review, permitting, and construction process for any applicable site development, building construction, and land disturbing activities

related to the development and construction of data centers that are within the County's purview;

- B. Perform applicable permit inspections for construction of data centers in a timely manner, including, if necessary, additional coordination with County staff and responsible parties of the Company;
- C. Respond to and coordinate with state and federal regulatory bodies in their plan review, permitting, and construction processes for the Project, including providing timely responses to requests for information; and
- D. Utilize a single point of contact to coordinate activities, resolve potential issues, and facilitate interactions associated with this Section V (the "Single Point of Contact"). The County's Single Point of Contact is identified in Exhibit B. The Company's Single Point of Contact will be identified by notice to the County. Any changes to a Party's Single Point of Contact will be shared with the other Parties in writing pursuant to the notice provisions of this Agreement in Section XII(F).

VI. UTILITY PACKAGE

The County understands time is of the essence and access to reliable, adequate utilities are critical for the Project's success. If the Company identifies other Sites for Project development in the County in addition to the MTC, the Company and the County will enter into negotiation of a Water Services Agreement. The County, acting within the scope of its authority, commits to assist the Company to effect the development of the Project at the Sites and to assist with the completion of all public water and sewer infrastructure for the Project which, except for the MTC, will be in accordance with a mutually executed Water Services Agreement.

VII. TAX PACKAGE

- A. The County has enacted by recorded affirmative vote of a majority of the Caroline County Board of Supervisors on April 20, 2021 such classification which will tax the Computer Equipment used in a data center, as defined in Subsection 43 of Section 58.1-3506(A) of the Code, at a rate of no more than \$1.25 per \$100 of assessed value (the "Tax Legislation Rate"). The resolution is attached as Exhibit C. The Commissioner of Revenue has set the below accelerated depreciation schedule for Computer Equipment.

Year 1	50% of original cost
Year 2	35% of original cost
Year 3	20% of original cost
Year 4	10% of original cost
Year 5+	5% of original cost

- B. The County will direct the County Administrator to present future budgets to the Caroline County Board of Supervisors that assume the Tax Legislation Rate as the

maximum applicable to Computer Equipment for the Board's consideration. In the event the County (i) increases the tax rate on Computer Equipment above the Tax Legislation Rate, or (ii) the Commissioner of Revenue alters the above depreciation schedule, so as to increase the Company's taxes on Computer Equipment in the County, then any taxes on Computer Equipment owed by the Company to the County above the taxes that would have been owed had the Tax Incentive Rate and the above depreciation schedule remained in effect will be payable as an additional grant. The payment will be paid to the Company by the Authority as a separate annual payment and will be subject to annual appropriation by the Caroline County Board of Supervisors. This separate annual payment will be in addition to the other payments required by this Agreement and will continue until the tax rate on Computer Equipment and depreciation schedule are restored to the rate and schedule described above. Payments required by this Section VII(B) will be paid to the Company within 90 days of receipt of the Company's payment of its annual property taxes. The County and the Authority will not be required to make the separate annual payments required by this Section VII(B) after June 30, 2040 if total Capital Investments through that date are less than \$6,000,000,000, provided that the County will appropriate and the Authority will pay any amounts due, owing and unpaid as of that date. Subject to Section XII(N), the County's and the Authority's obligations to fund or pay amounts that are due, owing and unpaid under this Section VII(B) as of the date of termination will survive the termination of this Agreement.

VIII. COUNTY ECONOMIC DEVELOPMENT INCENTIVES – LOCAL MATCH

The Parties acknowledge they intend to participate in the Grant Fund Program, and that if they do in fact participate in the Grant Fund Program, the County's payments through the Annual Infrastructure Grants and the Investment Performance Grants will contribute towards the Local Match.

IX. WITHHOLDING, REDUCTION, AND RECAPTURE OF ANNUAL INFRASTRUCTURE GRANTS AND INVESTMENT PERFORMANCE GRANTS

- A. If any taxes, fees, charges, or assessments owed to the County by the Company at the time any Annual Infrastructure Grant or Investment Performance Grant is to be paid are outstanding and overdue or subject to an active dispute, the County and Authority may withhold the Annual Infrastructure Grant or Investment Performance Grant. Annual Infrastructure Grants and Investment Performance Grants withheld pursuant to this Section IX(A) will be paid to the Company within 30 days after the amount giving rise to the withholding right has been paid to the County (if outstanding and overdue) or finally determined and paid to the County (if subject to dispute).
- B. Without limiting the County and Authority's obligation to pay Annual Infrastructure Grants and Investment Performance Grants that are due, owing, and unpaid pursuant to the terms of this Agreement, the County and Authority may

cease any further Annual Infrastructure Grant and Investment Performance Grant payments to the Company if the Company makes a public, formal announcement of its plan to terminate the Project, as of the date of such termination. The Parties agree that this provision does not apply to any plans or announcements to terminate investments at specific Sites, but only to plans to terminate the entire Project.

- C. During the term of this Agreement, the Company agrees that if it is required to notify any local government entity of a “Plant Closing” or “Mass Layoff” as defined under the Worker Adjustment and Retraining Notification Act (WARN) (20 CFR Part 639) with respect to the Project, the Company will also provide the Authority and the County with a copy of such WARN notice.
- D. If total Capital Investments through June 30, 2040 are less than \$6,000,000,000, the Maximum Infrastructure Costs Reimbursement Amount will be reduced by multiplying the Maximum Infrastructure Costs Reimbursement Amount by a percentage equal to total Capital Investments through June 30, 2040 divided by \$6,000,000,000. As an example, if total Capital Investments through June 30, 2040 are \$3,000,000,000, then the reduced Maximum Infrastructure Costs Reimbursement Amount will equal the Maximum Infrastructure Costs Reimbursement Amount multiplied by 50%.
- E. If the sum of all Annual Infrastructure Grants paid by the County to the Company exceeds the Maximum Infrastructure Costs Reimbursement Amount (including as that amount may be adjusted pursuant to Sections III(D) or IX(D)), the Company will pay the County an amount equal to the excess within 90 days of final calculation. This Section IX(E) will survive the termination of this Agreement.
- F. If judicial or state legislative action changes the tax classifications of property presently classified as Computer Equipment, mandates different assessment or depreciation methodologies for that property than the Tax Legislation Rate and depreciation schedule stated in Section VII(A), or otherwise results in the County’s inability to collect local tax revenue from Company property that would presently be classified as Computer Equipment consistent with the revenue it would have been able to collect under the Tax Legislation Rate, depreciation schedule stated in Section VII(A), and the existing tax classification of Computer Equipment, then (i) the County’s and the Authority’s obligations in Sections IV(A) and (B) will be suspended for the duration of the period that the County is legally obligated to tax or assess the Company’s Computer Equipment in a manner that results in materially less revenue than is available under current law, and (ii) at the County’s request, the Parties will meet to discuss the reduction in Project-specific tax revenue directly resulting from the judicial or state legislative action and the expected impact of that reduction on the County, and to negotiate mutually agreeable commitments that mitigate the impact of that reduction while respecting the fact that the Company’s decision to locate the Project in the County resulted in part from the availability of the Investment Performance Grants.

X. TERMINATION OF AGREEMENT

This term of this Agreement will begin on the Effective Date and will terminate on December 31, 2051 unless terminated earlier in accordance with this Section X. Either Party may terminate this Agreement pursuant to Section XII(D). The Company may also terminate this Agreement by giving notice of termination to the County. Upon termination, the Parties will have no further rights or obligations hereunder, except Sections XII(A), XII(C), and XII(E) and the provisions of this Agreement that expressly survive termination of this Agreement will survive termination of this Agreement.

XI. REPRESENTATIONS AND OTHER MATTERS

A. The Company represents as of the date of this Agreement as follows:

1. The Company (a) is a Delaware corporation duly organized and validly existing under the laws of its state of incorporation; (b) is duly qualified to transact business and is in good standing in Virginia; (c) is not in violation of any provision of its organizational documents; (d) has full corporate power to own its properties and conduct its business; (e) has full power and authority to enter into this Agreement and to enter into and carry out the transactions contemplated by this Agreement; (f) by proper action has duly authorized the execution and delivery of this Agreement; and (g) is not in default under any provision of this Agreement;
2. To its knowledge, the Company's execution and delivery of this Agreement neither conflicts with, nor will result in a breach or default under, its organizational documents; nor, to its knowledge, will its execution and delivery of this Agreement conflict with, or result in a breach or default under, the terms, conditions, or provisions of any statute, order, rule, regulation, agreement, or instrument to which the Company is a party or by which it is bound;
3. This Agreement constitutes its legal, valid, and binding obligations, enforceable in accordance with its terms; and
4. To the Company's knowledge, there is no litigation or proceeding pending or threatened against the Company, which would adversely affect the validity of this Agreement.

B. Each of the County and the Authority represents as of the date of this Agreement as follows:

1. It (a) has full power and authority to enter into this Agreement and to enter into and carry out the transactions contemplated by this Agreement; (b) by proper action has duly authorized the execution and delivery of this Agreement; and (c) is not in default under any provisions of this Agreement;

2. This Agreement constitutes its legal, valid, and binding obligation, enforceable in accordance with the Agreement's terms;
 3. To its knowledge, there is no litigation or proceeding pending or threatened against it or affecting it which would adversely affect the validity of this Agreement, or its ability to meet its obligations under this Agreement;
 4. To the best of its knowledge, it is not in default under any provision of Virginia law which would affect its existence or its powers.
- C. The Authority pledges that with respect to cooperation with the County for implementation of this Agreement, all funds transferred by the County to the Authority for the grants set forth herein will be used only and exclusively to satisfy the obligations set out in this Agreement. The Authority agrees to keep the County Administrator and the County's Single Point of Contact fully and timely informed of all matters related to this Agreement, including but not limited to disputes or litigation arising from grant payments. The Authority will keep records of its financial transactions related to the Agreement in accordance with generally accepted account principles. The Authority will also retain any and all records related to this Agreement for the period of time required by the applicable retention schedules set by the Library of Virginia pursuant to the Virginia Public Records Act and if in doubt for a minimum of three (3) years beyond the last day of the last year of this Agreement.
- D. NO PROVISION OF THIS AGREEMENT WILL BE CONSTRUED OR INTERPRETED AS CREATING A PLEDGE OF THE FAITH AND CREDIT OF THE AUTHORITY OR THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL DEBT LIMITATION. NO PROVISION OF THIS AGREEMENT WILL BE CONSTRUED OR INTERPRETED AS DELEGATING GOVERNMENTAL POWERS NOR AS A DONATION OR A LENDING OF THE CREDIT OF THE AUTHORITY OR COUNTY WITHIN THE MEANING OF THE STATE CONSTITUTION. THIS AGREEMENT SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE AUTHORITY OR COUNTY TO MAKE ANY PAYMENTS BEYOND THOSE APPROPRIATED IN THE SOLE DISCRETION OF THE COUNTY FOR ANY FISCAL YEAR IN WHICH THIS AGREEMENT IS IN EFFECT. NO PROVISION OF THIS AGREEMENT SHALL BE CONSTRUED TO PLEDGE OR TO CREATE A LIEN ON ANY CLASS OR SOURCE OF THE AUTHORITY OR COUNTY'S MONEYS, NOR WILL ANY PROVISION OF THE AGREEMENT RESTRICT TO ANY EXTENT PROHIBITED BY LAW, ANY ACTION OR RIGHT OF ACTION ON THE PART OF ANY FUTURE OR CURRENT AUTHORITY AND/OR CAROLINE COUNTY BOARD OF SUPERVISORS. TO THE EXTENT OF ANY CONFLICT BETWEEN THIS SECTION XI(D) AND ANY OTHER PROVISION OF THIS AGREEMENT, THIS SECTION XI(D) TAKES PRIORITY.**

XII. MISCELLANEOUS

- A. Governing Law; Venue. This Agreement is made, and is intended to be performed, in the Commonwealth and will be construed and enforced by the laws of the Commonwealth, without reference to its conflict of law rules. Jurisdiction and venue for any litigation arising out of or involving this Agreement will lie in the Circuit Court of Caroline County, and such litigation will be brought only in such court. With respect to any proceeding or action arising out of or in any way related to this Agreement (whether in contract, tort, equity or otherwise) the Parties knowingly, intentionally and irrevocably waive their right to trial by jury.
- B. Dispute Resolution. In the event of any dispute, controversy or claim of any kind or nature arising under or in connection with this Agreement (including disputes as to the creation, validity, or interpretation of this Agreement) (a “Dispute”), then upon the written request of a Party, each of the Parties will appoint a designated senior executive whose task it will be to meet for the purpose of endeavoring to resolve the Dispute. The designated executives will meet as often as the Parties reasonably deem necessary in order to gather and furnish to the others all information with respect to the matter in issue which the Parties believe to be appropriate and germane in connection with its resolution. Such executives will discuss the Dispute and will negotiate in good faith in an effort to resolve the Dispute without the necessity of any formal proceeding relating thereto. The specific format for such discussions will be left to the discretion of the designated executives but may include the preparation of agreed upon statements of fact or written statements of position furnished to the other Parties. No formal proceedings for the resolution of the Dispute may be commenced until the earlier to occur of (a) a good faith mutual conclusion by the designated executives that amicable resolution through continued negotiation of the matter in issue does not appear likely or (b) the 30th day after the initial request to negotiate the Dispute.
- C. Limitations on Liability. No officer, agent, or employee of a Party will be subject to any personal liability or accountability by reason of the execution of this Agreement or any other documents related to the transactions contemplated hereby. Such officers, agents, or employees will be deemed to execute such documents in their official capacities only, and not in their individual capacities. This Section will not relieve any such officer, agent, or employee from the performance of any official duty provided by law.

In no event will a Party be liable to another Party for any loss of data, loss of profits, cost of cover or other special, incidental, consequential, indirect, punitive, exemplary or reliance damages arising from or in relation to this Agreement, however caused and regardless of theory of liability. In no event will a Party’s liability to another Party for direct damages under this Agreement exceed the total amount of Annual Infrastructure Grants and Investment Performance Grants payable to the Company under this Agreement for the 12-month period preceding

the claim. This Section XII(C) does not limit the County's payment obligations under this Agreement.

- D. Material Breach. A Party will not be considered in material breach of this Agreement unless it breaches a material obligation under this Agreement, is given notice of its breach, and fails to cure the breach within 60 days of the notice. If the breach remains uncured following this 60-day cure period, the non-breaching Party may terminate this Agreement by giving written notice of termination to the breaching Party.
- E. Confidentiality. "Confidential Information" means all information disclosed by the Company or its affiliates to the County or the Authority that is designated as confidential or that, given the nature of the information or the circumstances surrounding its disclosure, reasonably should be considered as confidential. The County and the Authority may use Confidential Information only in pursuance of their business relationship with the Company. Except as provided below, the County and the Authority will not disclose Confidential Information to anyone without the Company's prior written consent. The County and the Authority will take all reasonable measures to avoid disclosure, dissemination, or unauthorized use of Confidential Information, including, at a minimum, those measures they take to protect their own confidential information of a similar nature. The County and the Authority will restrict the possession, knowledge, and use of Confidential Information to each of its employees, consultants, or officials who (i) has a need to know the Confidential Information, and (ii) is legally obligated to protect the Confidential Information to the same or greater degree as required under this Section. The County and the Authority will ensure that its employees, consultants, or officials comply with this Section. The County and the Authority may disclose Confidential Information as required to comply with applicable public disclosure or open records laws or as otherwise required to comply with orders of governmental entities that have jurisdiction over them or by law. Prior to making any such disclosure, however, the County or the Authority will (i) give prior written notice by email to the Company's designees as identified in the notice provisions of this Agreement in Section XII(F) and to the Company's Single Point of Contact sufficient to allow the Company to seek a protective order or other remedy (except to the extent that the County's or the Authority's compliance would cause it to violate the public disclosure or open records laws), which in the case of a disclosure pursuant to the Virginia Freedom of Information Act will be no less than two working days; and (ii) disclose only such information as is required. For the avoidance of doubt, this Section does not limit the County's ability to publish an annual report in accordance with Section II(C)(3).
- F. Notices.
1. Any communication required or permitted by this Agreement must be in writing and will refer to this Agreement, unless expressly provided otherwise in this Agreement.

2. Any communication under this Agreement will be sufficiently given and deemed given when personally delivered, sent by receipted facsimile transmission, or after deposited in the mails by registered or first-class certified mail, postage prepaid, with return receipt requested, and addressed as follows:

a. If to Company:

Amazon Data Services, Inc.
P.O. Box 81226
Seattle, Washington 98108
Email: contracts-legal@amazon.com;
AWS-econ-dev@amazon.com
Fax: (206) 266-7010
Attention: General Counsel

And a copy which will not constitute notice to:

Chris Lloyd
McGuireWoods Consulting, LLC
800 East Canal Street
Richmond, Virginia 23219
Email: clloyd@mwellc.com

And a copy to the Company's Single Point of Contact, which will not constitute notice.

b. If to the County or the Authority:

Caroline County Administrator
P. O. Box 447
212 North Main Street
Bowling Green, VA 22427
Email: cculley@co.caroline.va.us
Fax: (804) 633-4970
Attention: Mr. Charles M. Culley, Jr.

With copy to:

County Attorney
Sands Anderson PC
P.O. Box 1998
Richmond, VA 23218 1998
Email: cmackenzie@sandsanderson.com
Fax: (804) 783-7291
Attention: Christopher M. Mackenzie, Esquire

And a copy to the County's Single Point of Contact listed in Exhibit B, which will not constitute notice.

3. Any Party may designate additional or different addresses for communications by notice given under this Section to the other Party.
- G. Non-Business Days. If the date for making any payment or performing any act or exercising any right is not a day when County's general government offices are open for public business, such payment must be made or act performed or right exercised on or before the next business day such offices are open for public business.
- H. Assignment. The Parties may not assign this Agreement or any portion thereof without the written consent of the other Parties; provided, however, the Company may assign this Agreement or any portion thereof, or any funds due or to become due to it hereunder, to any affiliate or in connection with any merger, reorganization, sale of all or substantially all of its assets or any similar transaction.
- I. Force Majeure. Any delay in the performance of any of the duties or obligations of a Party hereunder (the "Delayed Party") will not be considered a breach of this Agreement and the time required for performance will be extended for a period equal to the period of such delay, provided that such delay is caused by a Force Majeure Event and, provided, further, that the aggregate extension available to a Party for all Force Majeure Events will not exceed three years. The Delayed Party will give prompt notice to the other Parties of such cause and will take whatever reasonable steps are necessary to relieve the effect of such cause. No such event or occurrence will excuse the payment of any sums due and payable hereunder on the due date thereof.
- J. Time. Time is of the essence in this Agreement and each and all of its provisions.
- K. Entire Agreement; Amendments. This Agreement constitutes the entire agreement of the Parties relating to the subject matter of this Agreement. This Agreement may not be changed except in writing signed by all Parties.
- L. Counterparts. This Agreement may be executed in several counterparts, including separate counterparts. Each will be an original, but all of them together constitute the same instrument.
- M. Sovereign Immunity; Non-Waiver. Nothing in this Agreement constitutes a waiver of sovereign immunity or any other immunity rights that exist now or may exist in the future for the County or the Authority under the laws of the Commonwealth. Nothing in this Agreement constitutes a waiver of any rights or claims the Company has or may have in the future under this Agreement or the laws of the Commonwealth.


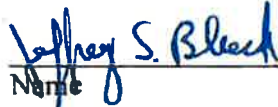
- N. Appropriations. To the extent this Agreement is construed to impose any financial obligations upon the County or the Authority, any such financial obligations will be binding to the extent of appropriations by the Caroline County Board of Supervisors. The County will direct the County Administrator to present future budgets to the Caroline County Board of Supervisors for the Board to consider which will allow the County to obtain the funds required to fund the provisions of this Agreement.
- O. Severability. If any court of competent jurisdiction holds any provision of this Agreement invalid or unenforceable, then (a) such holding will not invalidate or render unenforceable any other provision of this Agreement, unless such provision is contingent on the invalidated provision; and (b) the remaining terms hereof will, in such event, constitute the Parties' entire agreement.
- P. Binding Effect. This Agreement is binding upon, inures to the benefit of and is enforceable by the Parties and their respective permitted successors and assigns. There are no other agreements or other conditions precedent to the binding nature of the respective obligations of the County under this Agreement.
- Q. Non-Binding on Land Use Decisions. Notwithstanding anything herein to the contrary, nothing herein will require or otherwise bind the County or the Caroline County Board of Supervisors to make any land use decision in favor of the Company including any decision on any permit, any plan, and any application for rezoning or conditional use permit.
- R. No Partnership or Joint Venture. Notwithstanding anything herein to the contrary, nothing herein is intended or will be construed in any manner or under any circumstance whatsoever as creating and establishing the relationship of copartners or creating or establishing a joint venture between or among any of the Parties or as designating any Party to the Agreement as the agent or representative of any other Party to the Agreement for any purpose.
- S. No Third-Party Beneficiaries. Notwithstanding any other provision of this Agreement to the contrary, the Parties agree that (i) no individual or entity will be considered, deemed, or otherwise recognized to be a third-party beneficiary of this Agreement; (ii) the provisions of this Agreement are not intended to be for the benefit of any individual or entity other than the Parties; (iii) no other individual or entity will obtain any right to make any claim against the Parties under the provisions of this Agreement; and (iv) no provision of this Agreement will be construed or interpreted to confer third-party beneficiary status on any individual or entity.
- T. Each Party Responsible for its Own Costs. Each Party will be responsible for its own costs incurred in performing its obligations under this Agreement.

- U. The Company is subject to all applicable laws pertinent to the Project, this Agreement, and the Company's obligations in connection with the Project and this Agreement. Nothing in this Agreement exempts the Company from applicable County laws.
- V. Preamble and Recitals Part of the Agreement. The Preamble and Recitals and the statements made therein are part of this Agreement.

(SIGNATURES FOLLOW ON THE NEXT PAGE)


DRAFT

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in their corporate names by their duly authorized officers, all as of the date first above written.

<p>[SEAL]</p> <p>ATTEST:</p> <p>By: <u></u> Clerk</p>	<p>CAROLINE COUNTY, VIRGINIA</p> <p>By: <u></u> Name</p> <p>Its: <u>Chair</u> Title</p> <p>DATE: <u>1/23/24</u></p>
--	--

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

By: 
County Attorney

<p>[SEAL]</p> <p>ATTEST:</p> <p>By: _____ Clerk</p>	<p>ECONOMIC DEVELOPMENT AUTHORITY OF CAROLINE COUNTY, VIRGINIA</p> <p>By: <u></u> Name</p> <p>Its: <u>CHAIRMAN</u> Title</p> <p>DATE: <u>February 22, 2024</u></p>
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APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

By: 
Counsel for the Authority

	<p>AMAZON DATA SERVICES, INC.</p> <p>DocuSigned by: By: <u>Roger Welner</u> Name <small>90F9FB1105A8478...</small></p> <p>Its: <u>Authorized Signatory</u> Title</p> <p>DATE: <u>January 23, 2024</u></p>
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DRAFT



EXHIBIT A – SITES DESCRIPTIONS

EXHIBIT B – Single Points of Contact

EXHIBIT C – Tax Resolution or Ordinance

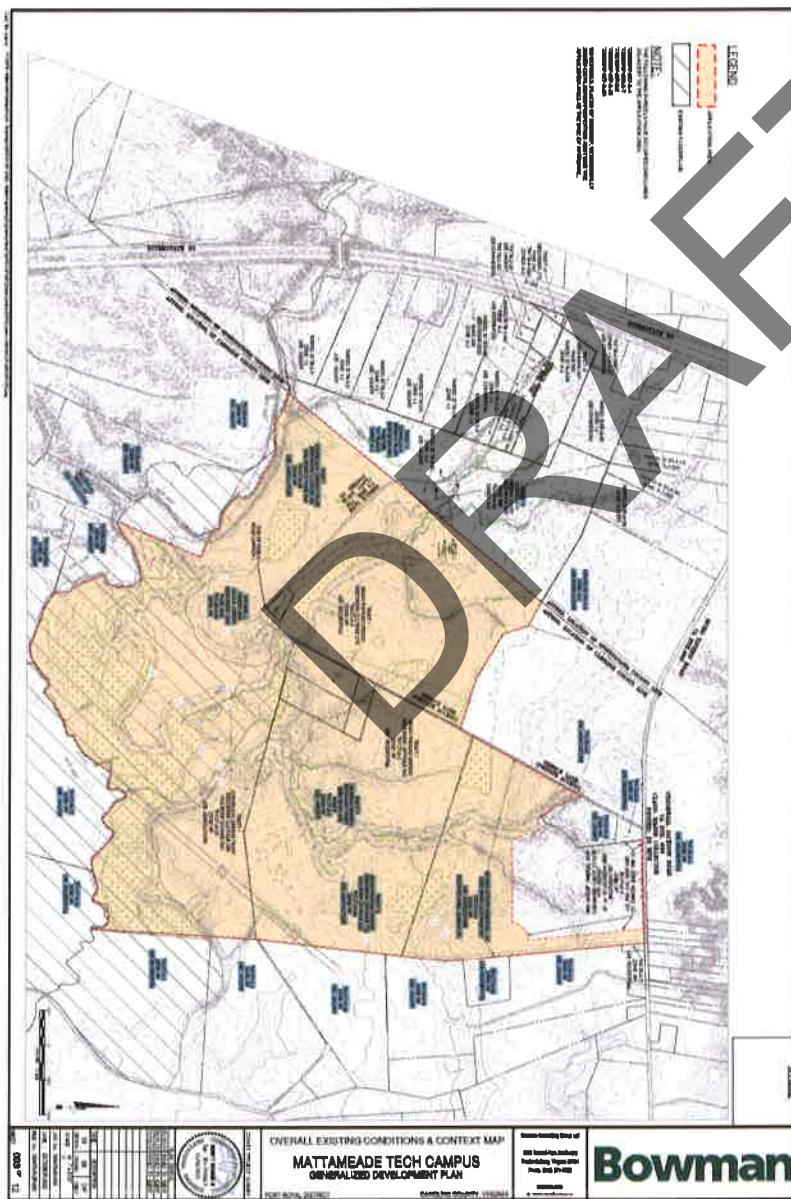
EXHIBIT D – Capital Investments and Infrastructure Costs Report

DRAFT

**EXHIBIT A
(DESCRIPTION OF SITES)**

**Mattameade – Caroline County
Mattameade Tech Campus**

**Caroline County Tax Parcels 26-A-63; 27-A-1, 27-A-2, 27-A-3, 27-A-4A, 27-A-20,
and a portion of 27-A-4, collectively consisting of approximately 916.07
acres and depicted as follows:**



Amount of real and personal property taxes (including rollback taxes) generated at the MTC described above during the tax year ended December 31, 2022 are as follows:

Real Property Taxes

Tax Map #	Acreage	Taxable Value 12/31/22	Taxes 12/31/22
26-A-63	2.00	\$228,200	\$1,757.14
27-A-1	5.00	\$190,000	\$1,463.00
27-A-2	10.00	\$47,000	\$361.90
27-A-3	10.00	\$35,000	\$269.50
27-A-4	160.00	\$280,800	\$2,162.16
27-A-4A	207.65	\$294,800	\$2,269.96
27-A-20	590.24	\$978,900	\$7,537.53
Total		\$2,054,700	\$15,821.19

Personal Property Taxes: \$2,099.86

DRAFT

**EXHIBIT B
(SINGLE POINTS OF CONTACT)**

As of the date of execution of this Agreement

as to the County:

Name: Charles M. Culley, Jr.

Title: County Administrator, County of Caroline

Phone: (804) 633-4471

Email: cculley@co.caroline.va.us

Mailing (USPS) Address: P. O. Box 447
Bowling Green, Virginia 22427

Physical Address: 212 North Main Street
Bowling Green, Virginia 22427

as to the Authority:

Name: Mordecai W. Andrews, Jr.

Title: Chair

Phone: (804) 994-2519

Email: andy@atlaspallets.com

Mailing (USPS) Address: 32472 Richmond Turnpike
Hanover, VA 23069

Physical Address: Same

**EXHIBIT C
(TAX RESOLUTION OR ORDINANCE)**

(contained on the following pages)

DRAFT

At a reconvened meeting of the Caroline County Board of Supervisors held on Tuesday, April 20, 2021 in the auditorium of the Community Services Center, located at 17202 Richmond Turnpike, Milford, Virginia 22514.

PRESENT

Reginald L. Underwood – Chair, Reedy Church District
Jeffrey S. Black – Vice-Chair Western Caroline District
Clayton T. Forehand – Madison District
Nancy L. Long – Port Royal District
Jeffery M. Sili – Bowling Green District
Floyd W. Thomas – Mattaponi District

ALSO PRESENT

Charles M. Culley, Jr. – County Administrator
Alan L. Partin – Deputy County Administrator
Jason R. Loftus – Fire-EMS Chief
David Sadler – Director of Information Technology
Joseph C. Schiebel – Director of Public Utilities/Works
Tomeka C. Smith – Finance Director
Benjamin W. Emerson – County Attorney (*Via Videoconference*)

RECONVENE FROM APRIL 13, 2021 MEETING

Chairman Underwood reconvened the April 13, 2021 meeting at approximately 7:30 p.m.

PUBLIC HEARING

1. PROPOSED TAX RATES FOR CALENDAR YEAR 2021

Chairman Underwood declared the public hearing open for the proposed tax rates for calendar year 2021.

Paige Carter, of the Mattaponi District and employee of Caroline County Public Schools, spoke in support of fully funding the proposed tax increase and funding the school's budget request.

Nancy Carson, of the Mattaponi District and member of the School Board, also spoke in support of the proposed tax increase and funding the school's budget request.

Bonnie Cannon, of the Bowling Green District, spoke in opposition to the proposed tax increase and reminded everyone that this was also a reassessment year.

Jessie Rollins, of the Mattaponi District and employee of Caroline County Public Schools, spoke

in support of the proposed tax increase and investing in the school system and public safety and first responders.

Supervisor Long read a letter from Lorrie Robinson of the Bowling Green District. Ms. Robinson's letter expressed her opposition to the proposed tax increase.

Chairman Underwood read a letter from John Bowers of the Reedy Church District. Mr. Bowers' letter expressed his support of the necessary tax increase to support the schools, public safety and first responders and a new fire station in Carmel Church.

There being no further comments, Chairman Underwood declared the public hearing closed.

Supervisor Forehand talked about the equalized rate of 69¢. County Administrator Charles M. Culley, Jr. explained that if a person's reassessment increased by 20%, they would pay the same cost for taxes at 69¢ as they currently did and if someone's reassessment only increased 10%, they would see a moderate decrease.

NEW BUSINESS

2. APPROVAL OF NON-DISCLOSURE AGREEMENT WITH RAPPAHANNOCK ELECTRIC COOPERATIVE

County Administrator Charles M. Culley, Jr. stated that a confidentiality agreement (non-disclosure agreement/NDA) was required by Rappahannock Electric Cooperative (REC) to enable discussions with the County regarding REC's role in potential broadband expansion projects in the County. He said in turn, the NDA also required REC to keep the County's confidential information confidential as well, to the extent applicable.

Supervisor Thomas moved and Supervisor Sili seconded to authorize the County Administrator to sign the proposed Confidentiality Agreement/Non-Disclosure Agreement with Rappahannock Electric Cooperative on behalf of the County.

<i>Roll Call Vote:</i>	<i>Black</i>	<i>Yea</i>
	<i>Forehand</i>	<i>Yea</i>
	<i>Long</i>	<i>Yea</i>
	<i>Sili</i>	<i>Yea</i>
	<i>Thomas</i>	<i>Yea</i>
	<i>Underwood</i>	<i>Yea</i>

3. ADOPTION OF TAX RATES FOR CALENDAR YEAR 2021

County Administrator Charles M. Culley, Jr. reviewed the proposed tax rate for calendar year 2021 and pointed out that there was no change to the Personal Property rate. He said it was proposed that the Real Estate rate be increased by eight cents.

Board members stated that they understood people on fixed incomes and talked about the difficulty

in making the decision to increase taxes. Board members noted unfunded mandates by the State for teachers/SOQ positions and Comp Board employees, increases for public safety and first responders and improvements to utilities and the widening of Ladysmith Road as some of the reasons for the proposed increase.

After discussion, *Supervisor Black moved and Supervisor Forehand seconded to approve the following tax rates for calendar year 2021:*

<u>Tax</u>	<u>Adopted Rate</u>
<i>Real Estate</i>	<i>\$0.77/\$100 of assessed valuation</i>
<i>Personal Property</i>	<i>\$3.80/\$100 of assessed valuation</i>
<i>Alternative Personal Property</i>	<i>\$2.66/\$100 of assessed valuation</i>
<i>Tax Rate for One Motor Vehicle for Qualifying Disabled Veterans Under Caroline County Code §103-46.5</i>	
<i>Alternative Personal Property Tax Rate for Data Center Equipment Qualifying Under VA Code §58.1-3506, A, 43</i>	<i>\$1.25/\$100 of assessed valuation</i>
<i>Alternative Personal Property Tax Rate for Privately Owned Pleasure Boats and Watercraft, Motorized and Under 18 feet, Used for Recreational Purposes Only VA Code §58.1-3506, A, 28</i>	<i>\$0.00/\$100 assessed valuation</i>
<i>Alternative Personal Property Tax Rate for Privately Owned Pleasure Boats and Watercraft, Non-motorized and Under 18 Feet, Used for Recreational Purposes Only VA Code §58.1-3506, A, 29</i>	<i>\$0.00/\$100 assessed valuation</i>
<i>Minerals Tax</i>	<i>\$0.77/\$100 of assessed valuation</i>
<i>Mobile Homes</i>	<i>\$0.77/\$100 of assessed valuation</i>
<i>Machinery & Tools</i>	<i>\$3.50/\$100 of assessed valuation</i>
<i>Motor Carrier</i>	<i>\$3.50/\$100 of assessed valuation</i>
<i>Public Service Corporations</i>	
<i>Real Estate</i>	<i>\$0.77/\$100 of assessed valuation</i>
<i>Personal Property</i>	<i>\$3.80/\$100 of assessed valuation</i>

Personal Property Tax Relief

27%

Roll Call Vote:

<i>Black</i>	<i>Yea</i>
<i>Forehand</i>	<i>Yea</i>
<i>Long</i>	<i>Yea</i>
<i>Sili</i>	<i>Yea</i>
<i>Thomas</i>	<i>Nay</i>
<i>Underwood</i>	<i>Nay</i>

The motion carried 4-2.

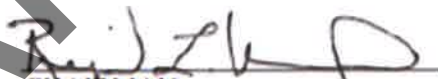
ADJOURNMENT

Supervisor Sili moved and Supervisor Black to recess the meeting until April 27, 2021 at 6 p.m. for continued discussion on the proposed budget.

Roll Call Vote:

<i>Black</i>	<i>Yea</i>
<i>Forehand</i>	<i>Yea</i>
<i>Long</i>	<i>Yea</i>
<i>Sili</i>	<i>Yea</i>
<i>Thomas</i>	<i>Yea</i>
<i>Underwood</i>	<i>Yea</i>


CLERK TO THE BOARD


CHAIRMAN

DRAFT

EXHIBIT D (CAPITAL INVESTMENTS AND INFRASTRUCTURE COSTS REPORT)

1. Sample form created for illustrative purposes and subject to change.

Line	Location	Investment Name	Est. Cost	Est. Comm. Name	Asset Class	Asset Util. Name	Total Cost	Capital Investment	Infrastructure
4	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Data Center (Capital)	HA110	Warehouse Improvements	800,000	800,000	800,000
5	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Data Center (Capital)	HA110	Warehouse Improvements	3,350,000	3,350,000	-
6	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Network - Core	HA110	Technology Infrastructure	1,900,000	1,900,000	-
7	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Network - Core	HA110	Technology Infrastructure	3,800,000	3,800,000	-
8	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Network - Core	HA110	Technology Infrastructure	7,600,000	7,600,000	-
9	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Network - Core	HA110	Technology Infrastructure	15,200,000	15,200,000	-
10	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Network - Core	HA110	Technology Infrastructure	30,400,000	30,400,000	-
11	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Network - Core	HA110	Technology Infrastructure	60,800,000	60,800,000	-
12	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Network - Core	HA110	Technology Infrastructure	121,600,000	121,600,000	-
13	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Network - Core	HA110	Technology Infrastructure	243,200,000	243,200,000	-
14	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Network - Core	HA110	Technology Infrastructure	486,400,000	486,400,000	-
15	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Network - Core	HA110	Technology Infrastructure	972,800,000	972,800,000	-
16	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Network - Core	HA110	Technology Infrastructure	1,945,600,000	1,945,600,000	-
17	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Network - Core	HA110	Technology Infrastructure	3,891,200,000	3,891,200,000	-
18	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Network - Core	HA110	Technology Infrastructure	7,782,400,000	7,782,400,000	-
19	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Network - Core	HA110	Technology Infrastructure	15,564,800,000	15,564,800,000	-
20	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Network - Core	HA110	Technology Infrastructure	31,129,600,000	31,129,600,000	-
21	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Network - Core	HA110	Technology Infrastructure	62,259,200,000	62,259,200,000	-
22	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Network - Core	HA110	Technology Infrastructure	124,518,400,000	124,518,400,000	-
23	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Network - Core	HA110	Technology Infrastructure	249,036,800,000	249,036,800,000	-
24	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Network - Core	HA110	Technology Infrastructure	498,073,600,000	498,073,600,000	-
25	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Network - Core	HA110	Technology Infrastructure	996,147,200,000	996,147,200,000	-
26	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Network - Core	HA110	Technology Infrastructure	1,992,294,400,000	1,992,294,400,000	-
27	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Network - Core	HA110	Technology Infrastructure	3,984,588,800,000	3,984,588,800,000	-
28	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Network - Core	HA110	Technology Infrastructure	7,969,177,600,000	7,969,177,600,000	-
29	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Network - Core	HA110	Technology Infrastructure	15,938,355,200,000	15,938,355,200,000	-
30	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Network - Core	HA110	Technology Infrastructure	31,876,710,400,000	31,876,710,400,000	-
31	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Network - Core	HA110	Technology Infrastructure	63,753,420,800,000	63,753,420,800,000	-
32	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Network - Core	HA110	Technology Infrastructure	127,506,841,600,000	127,506,841,600,000	-
33	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Network - Core	HA110	Technology Infrastructure	255,013,683,200,000	255,013,683,200,000	-
34	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Network - Core	HA110	Technology Infrastructure	510,027,366,400,000	510,027,366,400,000	-
35	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Network - Core	HA110	Technology Infrastructure	1,020,054,732,800,000	1,020,054,732,800,000	-
36	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Network - Core	HA110	Technology Infrastructure	2,040,109,465,600,000	2,040,109,465,600,000	-
37	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Network - Core	HA110	Technology Infrastructure	4,080,218,931,200,000	4,080,218,931,200,000	-
38	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Network - Core	HA110	Technology Infrastructure	8,160,437,862,400,000	8,160,437,862,400,000	-
39	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Network - Core	HA110	Technology Infrastructure	16,320,875,724,800,000	16,320,875,724,800,000	-
40	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Network - Core	HA110	Technology Infrastructure	32,641,751,449,600,000	32,641,751,449,600,000	-
41	8046	HAZOPX - Data Center Location Name, King George County, VA, US	242	Network - Core	HA110	Technology Infrastructure	65,283,502,899,200,000	65,283,502,899,200,000	-
54,899,999									54,899,999

Appendix F

ECONOMIC DEVELOPMENT LOCAL PERFORMANCE AGREEMENT

This Economic Development Local Performance Agreement (the "Agreement") is entered into as of the Effective Date by and between **Amazon Data Services, Inc.**, a Delaware corporation authorized to do business in the Commonwealth of Virginia (the "Company"), the **Economic Development Authority of the County of Spotsylvania, Virginia**, a political subdivision of the Commonwealth of Virginia (the "Authority"), and the **County of Spotsylvania, Virginia**, a political subdivision of the Commonwealth of Virginia (the "County"), and describes the agreement between the Parties relating to an economic development project to assist the Company in the location of the Company's data center facilities in Spotsylvania County. The Company, the Authority, and the County may be referred to herein individually as a "Party" or collectively as the "Parties." Capitalized terms used in this Agreement have the meanings assigned them in this Preamble, the Recitals, Section II, and throughout this Agreement.

RECITALS:

WHEREAS, the County is vitally interested in the economic welfare of its citizens, the creation and maintenance of sustainable jobs for its citizens, and the development of new infrastructure to serve its citizens, and therefore wishes to provide the necessary conditions to stimulate investment in the local economy and promote business, resulting in the creation of a substantial investment in the County, and to encourage economic growth and development opportunities; and

WHEREAS, the Company is engaged in the development and operation of data centers, including through direct ownership and third-party partners; and

WHEREAS, the Company has proposed to build, develop, and operate data center facilities at locations in the County, including locations known as Cosner Tech Campus, Carter's Store Tech Campus, Summit Crossing Tech Campus, and Mattameade Tech Park as further described in Exhibit A hereto, and may build additional sites in the future (collectively, the "Sites"); and

WHEREAS, to build, develop, and operate data center facilities at the Sites, the Company intends to make, or cause to be made, billions of dollars of Capital Investment in the County and create, or cause to be created, more than one hundred New Full-Time Jobs in the County which collective development, job creation, and Capital Investment in the County will be referred to herein as the "Project"; and

WHEREAS, time is of the essence in developing the Project, and the County desires to work with the Company and its agents to provide fast track consideration of various permits and inspections to allow the Project to proceed (the "Permitting Package"); and

WHEREAS, the Company and the County intend to implement processes and specify and develop the necessary infrastructure to support the Project, including water, sewer and recycled water, and to that end intend to enter into a water services agreement that memorializes their future obligations with regard to construction and development of such infrastructure. The County's

commitments to support infrastructure requirements will be referred to herein as the “Utility Package”; and

WHEREAS, to encourage the Project and additional data center development, the County desires to support infrastructure built, or caused to be built, by the Company by providing incentives to the Company pursuant to the Annual Infrastructure Grants and Investment Performance Grants as described in Sections IV and V of the Agreement, respectively; and

WHEREAS, Subsection 43 of Section 58.1-3506(A) of the Code of the Commonwealth of Virginia (the “Code”) authorizes local governments to declare computer equipment and peripherals, as defined in Section 58.1-3295.3(A) of the Code (the “Computer Equipment”), used in a data center to be a separate class of property and shall constitute a classification for local taxation separate from other classifications of tangible personal property; and

WHEREAS, the County has enacted by resolution such classification which currently taxes the Computer Equipment used in a data center, as defined in Subsection 43 of Section 58.1-3506(A) of the Code, at a rate of no more than \$1.25 per \$100 of assessed value, and the County’s Commissioner of Revenue has provided for a specific depreciation schedule for such Computer Equipment compared to other classifications of tangible personal property in the County as further defined herein (the “Tax Incentive”); and

WHEREAS, the provision of the Annual Infrastructure Grants, Investment Performance Grants, Permitting Package, Utility Package, and Tax Incentive were important factors in the Company’s decision to make Capital Investments and create jobs in the County; and

WHEREAS, the General Assembly of the Commonwealth of Virginia has enacted § 59.1-284.42 of the Code, known as the Cloud Computing Cluster Infrastructure Grant Fund (the “Grant Fund Program”), which provides grants by the Commonwealth of Virginia (the “Commonwealth”) for infrastructure and workforce development to data center companies that meet certain job creation and capital investment targets; and

WHEREAS, the Grant Fund Program requires that the Commonwealth grants are matched on a two-for-one basis (the “Local Match”) by the locality in which a data center company will build, or cause to be built, a new facility, and the County desires to provide the Local Match to encourage additional data center development; and

WHEREAS, the County recognizes that the Project will bring direct and indirect benefits to the County that constitute a valid public purpose for the use of public funds, including New Full-Time Jobs, stimulating additional tax revenue and economic activity, and has offered to provide the Annual Infrastructure Grants, Investment Performance Grants, Permitting Package, Utility Package, and Tax Incentive to induce development of the Project; and

WHEREAS, the Company acknowledges that its decision to locate the Project in the County resulted from the availability of the Grant Fund Program, Annual Infrastructure Grants, Investment Performance Grants, Utility Package, Permitting Package, and Tax Incentive; and

WHEREAS, the Authority now desires to contractually provide to the Company the economic incentive grants which induced the Company to locate the Project in the County thereby increasing the tax base, attracting additional businesses, and creating New Full-Time Jobs in the County; and

WHEREAS, by entering into this Agreement the County's intent is to appropriate and provide funds to the Authority, in support of grants, so that the Authority can provide the funds to the Company, provided that the Company meets certain criteria and commitments described herein that are conditions to the Company's receipt of the grants under the terms of this Agreement; and

WHEREAS, the Company acknowledges that it intends to make an investment of at least six billion dollars (\$6,000,000,000) in Capital Investments which the County estimates will generate approximately thirteen million eight hundred thousand dollars (\$13,800,000) in average annual tax revenue to the County over a period of fifteen (15) years beginning in 2025; and

WHEREAS, the Parties acknowledge that the Capital Investments and the revenue derived therefrom and the New Full-Time Jobs are the consideration upon which the County and the Authority are relying in entering into this Agreement;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements set forth herein, the Parties hereby agree as follows:

I. INCORPORATION OF PREAMBLE AND RECITALS. The Preamble and Recitals above and the statements made therein are part of this Agreement.

II. DEFINITIONS. For the purposes of this Agreement, unless defined elsewhere in this Agreement, the following terms will have the following meanings:

"Affiliate" means, with respect to an entity, any other entity that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with that entity.

"Agreement" is defined in the Preamble.

"Annual Infrastructure Grants" is defined in Section IV(A).

"Authority" is defined in the Preamble.

"Board" means the Board of Supervisors of the County.

"Capital Investments" means an investment by or on behalf of the Company for the Project on or after January 1, 2023, but prior to July 1, 2050, by purchase or lease, in real property, tangible personal property, or both, at a facility that is properly chargeable to a capital account or would be so chargeable with a proper election.

"Code" is defined in the Recitals.

“Commonwealth” is defined in the Recitals.

“Company” is defined in the Preamble.

“Computer Equipment” is defined in the Recitals.

“Confidential Information” is defined in Section XIII(E).

“County” is defined in the Preamble.

“Delayed Party” is defined in Section XIII(I).

“Dispute” is defined in Section XIII(B).

“Effective Date” is the date upon which the Parties have signed this Agreement.

“Force Majeure Event” means, in respect of a Party, any event or occurrence that is not within the reasonable control of such Party or its Affiliates and prevents such Party from performing its obligations under this Agreement, including without limitation, any of the following events or occurrences (provided that such events or occurrences meet the foregoing requirements): any act of God; act of a public enemy; war; riot; sabotage; blockage; embargo; inability to secure materials, supplies or labor through ordinary sources; labor strike, lockout or other labor or industrial disturbance (whether or not on the part of agents or employees of either Party); civil disturbance; terrorist act; power outage; fire; flood; windstorm; hurricane; earthquake; landslides; lightning; tornadoes; storms; washouts; droughts; or other casualty; insurrection, epidemic, pandemic; arrests; restraint of government and people; quarantine, explosions; breakage or accident to machinery, transmission pipes or canals not caused by the Company; partial or entire failure of utilities; any change in law, order, regulation or other action of any governing authority; or any other cause or event not reasonably within the control of such Party, including insufficient or unavailable utilities or entitlements, whether provided by the County or others.

“Grant Fund Program” is defined in the Recitals.

“Increased Tax Revenue” means the increase in real and personal property taxes generated at the Sites in a given tax year, compared to the real and personal property taxes generated at the Sites during the tax year ended December 31, 2022, which will include any rollback taxes due as a result of rezonings of the Sites approved by the Spotsylvania County Board of Supervisors on October 10, 2023. Exhibit A states the amount of real and personal property taxes generated at the Sites described on it during the tax year ended December 31, 2022.

“Infrastructure Costs” means costs incurred by or on behalf of the Company or the Company’s designees related to fiber, water, wastewater, and stormwater facilities; gas pipelines; electrical transmission and distribution lines; transportation; and planning,

design, site clearing, grading and other improvements to support the construction, development, and operation of the Project.

“Investment Performance Grants” is defined in Section V(A).

“Local Match” is defined in the Recitals.

“Maximum Total Infrastructure Grant” is defined in Section IV(A).

“New Full-Time Jobs” means job positions created on or after January 1, 2023, in which the employee works on or for the Project, and for which the Company provides standard fringe benefits. A New Full-Time Job will require a minimum of either (i) 35 hours of an employee’s time per week for the entire normal year of the employer’s operations, which normal year will consist of at least 48 weeks, or (ii) 1,680 hours per year. Seasonal or temporary positions will not qualify as New Full-Time Jobs. Positions created after January 1, 2023, by contractors that are dedicated full-time to providing operational services for the Project may constitute New Full-Time Jobs but will not exceed 20 percent of the number of New Full-Time Jobs set forth in Section III(B) of this Agreement. A position created when a job function is shifted from an existing location in the County of Spotsylvania to a Site or a different Site shall qualify as a New Full-Time Job if the Company certifies that it has hired a new employee or contractor to fill substantially the same job at the existing location as that performed by the transferred position.

“Party” and “Parties” are defined in the Preamble.

“Permitting Package” is defined in the Recitals and Section VI.

“Project” is defined in the Recitals.

“Single Point of Contact” is defined in Section VI(A)(4).

“Sites” is defined in the Recitals.

“Tax Incentive Rate” is defined in Section VIII(A).

“Tax Incentive” is defined in the Recitals and Section VIII.

“Term” or “Term of this Agreement” is defined in Section XI.

“Utility Package” is defined in the Recitals and Section VII.

“VEDP” means the Virginia Economic Development Partnership.

III. COMPANY INVESTMENT AND JOB CREATION.

A. COMPANY CAPITAL INVESTMENT AND INFRASTRUCTURE. During the Term of this Agreement, the Company intends to invest, or cause to be invested, in the County at least six billion dollars (\$6,000,000,000) in Capital Investments by July 1, 2040, which includes nine hundred thirty-three million thirty-two thousand dollars (\$933,032,000) in anticipated Infrastructure Costs related to one or more Sites. Nothing in this Agreement shall be construed as permitting the County to compel the Company to make investments; however, all of the County's and the Authority's liability and commitments hereunder are subject to the terms of this Agreement.

B. JOB CREATION.

1. The Company intends to create and maintain more than one hundred New Full-Time Jobs during the Term of this Agreement.
2. The Company intends to work with local, regional, and state organizations, which may include one or more local community colleges, to identify and train local candidates for New Full-Time Jobs.
3. The Parties acknowledge that the estimate of New Full-Time Jobs provided in this Section III(B) is an estimate provided for informational purposes only and is not intended to be construed as permitting the County to compel the Company to create jobs.

C. REPORTING.

1. The Company must send to the County and the Authority copies of all reports provided to VEDP pursuant to a Memorandum of Understanding involving the Company and VEDP specific to the Company's Capital Investments, Infrastructure Costs, and job creation in the County, including, but not limited to, performance reports and annual reports, to document the value of the Capital Investments and the amount of Infrastructure Costs incurred in the County, and the number of New Full-Time Jobs. The Company will, and also hereby authorizes the County's Commissioner of Revenue to, disclose to the County and Authority real and personal property tax bills for the Sites for each tax year during the Term of this Agreement and confirmation that the Company's tax liability has been satisfied. The County and Authority may use the information disclosed by the Commissioner of Revenue pursuant to the preceding sentence solely for the purpose of calculating Increased Tax Revenue, Annual Infrastructure Grants, Investment Performance Grants, and additional grants payable pursuant to Section VIII(B).
2. The Company will also annually furnish a report that demonstrates the manner in which the Capital Investments and Infrastructure Costs were calculated. A sample report is attached as Exhibit D but the form of any actual reports provided by the Company pursuant to this Section may vary based on the final form of the reports provided pursuant to Section III(C)(1). To the extent that the County or the Authority has questions about the reports supplied by the Company with respect to

the Company's Capital Investments or the amount of Infrastructure Costs incurred in the County, the Parties will engage in good faith efforts to resolve such questions and, upon the County's reasonable request, the Company will furnish documentation sufficient to verify the accuracy and completeness of such reports, and to demonstrate the manner in which the Capital Investments and Infrastructure Costs were calculated.

3. The Parties recognize the County's and the Authority's interest in verifying the amounts of the Company's Capital Investments, Infrastructure Costs, and tax liabilities incurred in the County. To that end, nothing in this Agreement shall limit the County's Commissioner of Revenue, the County's Treasurer, the County's, and the Authority's rights under the Code to conduct audits or inspect records.
4. The County may publish an annual report that includes the aggregate Capital Investments, aggregate Infrastructure Costs, and aggregate New Full-Time Jobs stated in the Company's reports provided pursuant to Sections III(C)(1) and III(C)(2). Such annual report may include the total amount of annual payments made by the Authority as Annual Infrastructure Grants and Investment Performance Grants as well as the amount paid by the Company to the County pursuant to Section X(E), if any.

IV. COUNTY ECONOMIC DEVELOPMENT INCENTIVES - ANNUAL INFRASTRUCTURE GRANTS.

- A. Subject to Section X(E), the County will provide annual grants to the Company (the "Annual Infrastructure Grants") which, in total, shall equal the lesser of (i) ninety-three million three hundred three thousand two hundred dollars (\$93,303,200) or (ii) ten (10) percent of Infrastructure Costs through June 30, 2040, subject to adjustment pursuant to Sections IV(E) and X(D) (the "Maximum Total Infrastructure Grant").
- B. Each Annual Infrastructure Grant shall equal sixty (60) percent of the Increased Tax Revenue (regardless of the amount of reported Infrastructure Costs in a specific year), except for the final payment, which may equal less than sixty (60) percent of the Increased Tax Revenue if the Maximum Total Infrastructure Grant has been reached.
- C. Annual Infrastructure Grants will be paid by the County to the Company through the Authority and are subject to annual appropriation by the Board. The Authority shall pay the Annual Infrastructure Grant each year within ninety (90) days of the County's receipt of the Company's payment of its annual property taxes and the County's and the Authority's receipt of the information required to be provided by the Company in Sections III(C)(1) and III(C)(2). The Authority's obligation to undertake the payment activities described in this Section is conditioned upon its receipt from the County of funding for the Authority's Annual Infrastructure Grant payments.

- D. In the event the Parties disagree on the amount or schedule of the Annual Infrastructure Grants, the Parties shall seek to resolve the disagreement pursuant to the process set forth in Section XIII(B).
- E. At any time before the Company's Infrastructure Costs reach nine hundred thirty-three million thirty-two thousand dollars (\$933,032,000), the Company may provide a written notice to the Authority and the County that it will forego reimbursement for Infrastructure Costs incurred after the date stated in that notice. If the Company provides such notice, the Maximum Total Infrastructure Grant will be calculated based on the Company's total Infrastructure Costs incurred through the date stated in that notice, instead of through June 30, 2040.
- F. Subject to Section XIII(T), the County's and the Authority's obligation to pay Annual Infrastructure Grants that are due, owing, and unpaid as of the date of termination will survive the termination of this Agreement. Subject to the preceding sentence, after termination, the County and the Authority will have no further obligation to pay Annual Infrastructure Grants to the Company.

V. COUNTY ECONOMIC DEVELOPMENT INCENTIVES – INVESTMENT PERFORMANCE GRANTS.

- A. Beginning in the first tax year in which (i) the Company has made six billion dollars (\$6,000,000,000) in Capital Investments, and (ii) the aggregate Annual Infrastructure Grants paid by the County has reached the Maximum Total Infrastructure Grant, the County will pay an annual grant to the Company each in an amount equal to the percentage of Increased Tax Revenue stated in the following schedule (the "Investment Performance Grants"). If the County pays both an Annual Infrastructure Grant and Investment Performance Grant in the same year, the combined payment of those grants shall not exceed sixty (60) percent of the Increased Tax Revenue for that year. The Investment Performance Grants will continue until 2051, which final payment shall be based on the Company's Capital Investments as of June 30, 2050:

Investment Performance Grants Schedule

Total Capital Investments	Percentage of Increased Tax Revenue to be Paid to Company as Investment Performance Grant
\$6 billion to \$10 billion	10.0%
Over \$10 billion to \$15 billion	15.0%
Over \$15 billion	20.0%

- B. The Parties agree that for purposes of determining the amount of the Investment Performance Grant, the amount of Capital Investment shall not be adjusted for annual depreciation or other method of valuation for tax purposes.
- C. Investment Performance Grants will be paid by the County to the Company through the Authority and are subject to annual appropriation by the Board. The Authority shall pay the Investment Performance Grant each year within ninety (90) days of the County's receipt of the Company's payment of its annual property taxes and the County's and the Authority's receipt of the information required to be provided by the Company in Sections III(C)(1) and III(C)(2). The Authority's obligation to undertake the payment activities described in this Section is conditioned upon its receipt from the County of funding for the Authority's Investment Performance Grant payments.
- D. In the event the Parties disagree on the amount or schedule of the Annual Infrastructure Grants, the Parties will seek to resolve the disagreement pursuant to the process set forth in Section XII(B).
- E. Subject to Section XIII(T), the County's and the Authority's obligation to pay Investment Performance Grants that are due, owing, and unpaid as of the date of termination will survive the termination of this Agreement. Subject to the preceding sentence, after termination, the County and the Authority will have no further obligation to pay Investment Performance Grants to the Company.

VI. PERMITTING PACKAGE.

- A. The County understands time is of the essence and zoning, permitting, and other delays may impact the Company's ability to meet its targets set forth in this Agreement. The County commits to using its best efforts to expeditiously act upon the permits associated with the development of the Project at the Sites including the following actions:
 - 1. Implement a fast-track permit consideration process for site disturbance and development, erosion control and management, stormwater management, impacts to resource protection areas, and other activities related to the development and construction of data centers that are within the County's purview such that site permits, if approvable by the County, are issued expeditiously;
 - 2. Use its best efforts to conduct inspections and process permits for construction of data centers in a timely manner, including, if necessary and if fully funded by the Company, the addition of staff or use of third-party consultants to meet Project schedules;
 - 3. Cooperate with and coordinate with state and federal regulatory bodies in their reviews and permitting processes for the Project, including providing timely

responses to requests for information and, at an administrative level, comment in support of the development and the exercise of eminent domain authority; and

4. For the duration of the construction of the Project, utilize a single point of contact to coordinate activities, resolve issues, and facilitate interactions with the County and the Authority, including permitting and inspections and payment of Annual Infrastructure Grants and Investment Performance Grants (the "Single Point of Contact"). The County's Single Point of Contact is identified in Exhibit B herein. The Company's Single Point of Contact will be identified by letter to the County within ten (10) days of the Effective Date. Any subsequent changes to the Single Point of Contact shall be shared with the other Party in writing pursuant to the Notice provisions of this Agreement in Section XIII(F).

VII. UTILITY PACKAGE.

The Parties understand time is of the essence and access to reliable, adequate utilities are critical for the Project's success. The County and the Company intend to work together and provide consideration on both sides in a water services agreement to ensure that the County, and the Authority (if applicable), can provide utilities as an economic incentive to the Company including but not limited to potable water infrastructure, sanitary sewer infrastructure, and reuse water.

VIII. TAX INCENTIVE.

- A. The County has adopted Resolution 2023-43, which states the following in pertinent part and is attached hereto as Exhibit C.

CALENDAR YEAR 2023 TAX RATES

Data Center Computer Equipment & Peripherals..... \$1.25
per \$100 of assessed valuation, assessed at no greater than 50% of
fair market value

Hereinafter the above rate is referred to as the "Tax Incentive Rate".

The County's Commissioner of Revenue has agreed to assess the Computer Equipment at the following depreciation schedule:

Year 1	50% of original cost
Year 2	35% of original cost
Year 3	20% of original cost
Year 4	10% of original cost
Year 5+	5% of original cost

- B. The County agrees to direct the County Administrator to present future budgets to the Board that assume the Tax Incentive Rate as the maximum applicable to Computer Equipment for the Board's consideration. If (i) the County increases the tax rate on Computer Equipment above the Tax Incentive Rate, or (ii) the County's Commissioner of Revenue alters the above depreciation schedule so as to increase the Company's taxes on Computer Equipment in the County, then any taxes on Computer Equipment owed by the Company to the County above the taxes that would have been owed had the Tax Incentive Rate and the above depreciation schedule remained in effect will be granted to the Company through the Authority as an additional annual incentive until the tax rate on Computer Equipment and depreciation schedule are restored to the rate and schedule described above. The incentive grant required by this Section VIII(B) will be in addition to the other payments required by this Agreement and will be paid annually to the Company within ninety (90) days after the Company's payment of its annual property taxes. The County and the Authority will not be required to make the separate annual grants required by this Section VIII(B) after June 30, 2040 if total Capital Investments through that date are less than \$6,000,000,000, provided that the County will appropriate and the Authority will pay any amounts due, owing and unpaid as of that date. Subject to Section XIII(T), the County's and the Authority's obligations to fund or pay amounts that are due, owing, and unpaid under this Section VIII(B) as of the date of termination will survive the termination of this Agreement. Subject to the preceding sentence, after termination, the County and the Authority will have no further obligation to make payments required by this Section VIII(B).

IX. COUNTY ECONOMIC DEVELOPMENT INCENTIVES - LOCAL MATCH.

- A. The Parties acknowledge they intend to participate in the Grant Fund Program, and that if they do in fact participate in the Grant Fund Program, the County's payments through the Annual Infrastructure Grants and the Investment Performance Grants will contribute towards the Local Match.

X. WITHHOLDING AND REDUCTION OF ANNUAL INFRASTRUCTURE GRANTS AND INVESTMENT PERFORMANCE GRANTS.

- A. If any taxes, fees, charges, or assessments owed to the County by Company at the time any Annual Infrastructure Grant or Investment Performance Grant is to be paid are outstanding and overdue or subject to an active dispute, the County may withhold the Annual Infrastructure Grant or Investment Performance Grant until the amount giving rise to the withholding right has been paid to the County (if outstanding and overdue) or finally determined and paid to the County (if subject to dispute), at which time the previously withheld Annual Infrastructure Grant or Investment Performance Grant will be paid to the Company within ninety (90) days.

- B. The County may cease any further Annual Infrastructure Grant and Investment Performance Grant payments to Company if the Company makes a public, formal announcement of its plan to terminate the Project. The preceding sentence will not limit the County's obligation to pay Annual Infrastructure Grants and Investment Performance Grants that have been earned by the Company pursuant to the terms of this Agreement as of the date of such announcement. The Parties agree that this provision does not apply to any plans or announcements to terminate investments at specific Sites, but only to plans to terminate the entire Project.
- C. During the Term of this Agreement, the Company agrees that if it is required to notify any local government entity of a "Plant Closing" or "Mass Layoff" as defined under the Worker Adjustment and Retraining Notification Act ("WARN") (20 CFR Part 639) with respect to the Project, the Company will also provide the Authority and the County with a copy of such WARN notice.
- D. If total Capital Investments through June 30, 2040 are less than \$6,000,000,000, the Maximum Total Infrastructure Grant will be reduced by multiplying the Maximum Total Infrastructure Grant by a percentage equal to total Capital Investments through June 30, 2040 divided by \$6,000,000,000. As an example, if total Capital Investments through June 30, 2040 are \$3,000,000,000, then the reduced Maximum Total Infrastructure Grant will equal the Maximum Total Infrastructure Grant multiplied by 50%.
- E. If the sum of all Annual Infrastructure Grants paid by the County to the Company exceeds the Maximum Total Infrastructure Grant (including as that amount may be adjusted pursuant to Sections IV(E) or X(D)), the Company will pay the County an amount equal to the excess within 90 days of final calculation. This Section X(E) will survive the termination of this Agreement.
- F. If judicial or state legislative action changes the tax classifications of property presently classified as Computer Equipment, mandates different assessment or depreciation methodologies for that property than the Tax Incentive Rate and depreciation schedule stated in Section VIII(A), or otherwise results in the County's inability to collect local tax revenue from Company property that would presently be classified as Computer Equipment consistent with the revenue it would have been able to collect under the Tax Incentive Rate, depreciation schedule stated in Section VIII(A), and the existing tax classification of Computer Equipment, then (i) the County's and the Authority's obligations in Sections V(A) and (C) will be suspended for the duration of the period that the County is legally obligated to tax or assess the Company's Computer Equipment in a manner that results in materially less revenue than is available under current law, and (ii) at the County's request, the Parties will meet to discuss the reduction in Project-specific tax revenue directly resulting from the judicial or state legislative action and the expected impact of that reduction on the County, and to negotiate mutually agreeable commitments that mitigate the impact of that reduction while respecting the fact that the Company's

decision to locate the Project in the County resulted in part from the availability of the Investment Performance Grants.

XI. TERMINATION OF AGREEMENT.

The term of this Agreement (the “Term” or “Term of this Agreement”) begins on the Effective Date and ends on December 31, 2051 unless terminated earlier in accordance with this Section XI, in which case the Term ends on the earlier date of termination. Either Party may terminate this Agreement in connection with a material breach, in accordance with Section XIII(D). The Company may also elect to terminate this Agreement by delivery of written notice thereof to the County. After termination, the Parties to this Agreement will have no further obligations from one to the other thereafter and the Company will forgo future incentives by the County and the Authority under this Agreement except those incentives that expressly survive termination under this Agreement. Sections XIII(A), (C), and (E) will survive termination of this Agreement.

XII. REPRESENTATIONS.

A. The Company represents as of the date of this Agreement as follows:

1. The Company (a) is a Delaware corporation duly organized and validly existing under the laws of its state of incorporation; (b) is duly qualified to transact business and is in good standing in Virginia; (c) is not in violation of any provision of its organizational documents; (d) has full corporate power to own its properties and conduct its business; (e) has full power and authority to enter into this Agreement and to enter into and carry out the transactions contemplated by this Agreement; (f) by proper action has duly authorized the execution and delivery of this Agreement; and (g) is not in default under any provision of this Agreement;
2. To its knowledge, the Company’s execution and delivery of this Agreement neither conflicts with, nor will result in a breach or default under, its organizational documents; nor, to its knowledge, will its execution and delivery of this Agreement conflict with, or result in a breach or default under, the terms, conditions, or provisions of any statute, order, rule, regulation, agreement, or instrument to which the Company is a party or by which it is bound;
3. This Agreement constitutes its legal, valid, and binding obligations, enforceable in accordance with its terms; and
4. To the Company’s knowledge, there is no litigation or proceeding pending or threatened against the Company, which would adversely affect the validity of this Agreement.

B. The County represents as of the date of this Agreement as follows:

1. At the time of execution of this Agreement, the County (a) has full power and authority to enter into this Agreement and to enter into and carry out the transactions contemplated by this Agreement; (b) by proper action has duly authorized the execution and delivery of this Agreement; and (c) is not in default under any provisions of this Agreement;
 2. This Agreement constitutes the County's legal, valid, and binding obligation, enforceable in accordance with its terms;
 3. To the County's knowledge, there is no litigation or proceeding pending or threatened against the County or affecting it which would adversely affect the validity of this Agreement, or its ability to meet its obligations under this Agreement; and
 4. To the best of the County's knowledge at the time of execution of this Agreement, the County is not in default under any provision of Virginia law which would affect its existence or its powers.
- C. The Authority represents as of the date of this Agreement as follows:
1. At the time of execution of this Agreement, the Authority (a) has full power and authority to enter into this Agreement and to enter into and carry out the transactions contemplated by this Agreement; (b) by proper action has duly authorized the execution and delivery of this Agreement; and (c) is not in default under any provisions of this Agreement;
 2. This Agreement constitutes the Authority's legal, valid, and binding obligation, enforceable in accordance with its terms;
 3. To the Authority's knowledge, there is no litigation or proceeding pending or threatened against the Authority or affecting it which would adversely affect the validity of this Agreement, or its ability to meet its obligations under this Agreement; and
 4. To the best of the Authority's knowledge at the time of execution of this Agreement, the Authority is not in default under any provision of Virginia law which would affect its existence or its powers.
- D. **NO PROVISION OF THIS AGREEMENT SHALL BE CONSTRUED OR INTERPRETED AS CREATING A PLEDGE OF THE FAITH AND CREDIT OF THE AUTHORITY OR THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL DEBT LIMITATION. NO PROVISION OF THIS AGREEMENT SHALL BE CONSTRUED OR INTERPRETED AS DELEGATING GOVERNMENTAL POWERS NOR AS A DONATION OR A LENDING OF THE CREDIT OF THE AUTHORITY OR COUNTY WITHIN THE MEANING OF THE STATE**

CONSTITUTION. THIS AGREEMENT SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE AUTHORITY OR COUNTY TO MAKE ANY PAYMENTS BEYOND THOSE APPROPRIATED IN THE SOLE DISCRETION OF THE COUNTY FOR ANY FISCAL YEAR IN WHICH THIS AGREEMENT IS IN EFFECT. NO PROVISION OF THIS AGREEMENT SHALL BE CONSTRUED TO PLEDGE OR TO CREATE A LIEN ON ANY CLASS OR SOURCE OF THE AUTHORITY OR COUNTY'S MONEYS, NOR SHALL ANY PROVISION OF THE AGREEMENT RESTRICT TO ANY EXTENT PROHIBITED BY LAW, ANY ACTION OR RIGHT OF ACTION ON THE PART OF ANY CURRENT OR FUTURE AUTHORITY OR BOARD. TO THE EXTENT OF ANY CONFLICT BETWEEN THIS SECTION XII(D) AND ANY OTHER PROVISION OF THIS AGREEMENT, THIS SECTION XII(D) TAKES PRIORITY.

XIII. MISCELLANEOUS.

- A. Governing Law; Venue. This Agreement is made, and is intended to be performed, in the Commonwealth and shall be construed and enforced by the laws of the Commonwealth, without reference to its conflict of law rules. Jurisdiction and venue for any litigation arising out of or involving this Agreement shall lie in the Circuit Court of the County of Spotsylvania, Virginia, and such litigation shall be brought only in such court. With respect to any proceeding or action arising out of or in any way related to this Agreement (whether in contract, tort, equity or otherwise) the Parties knowingly, intentionally and irrevocably waive their right to trial by jury.
- B. Dispute Resolution. In the event of any dispute, controversy or claim of any kind or nature arising under or in connection with this Agreement (including disputes as to the creation, validity, or interpretation of this Agreement) (a "Dispute"), then upon the written request of a Party, each of the Parties will appoint a designated senior executive whose task it will be to meet for the purpose of endeavoring to resolve the Dispute. The designated executives will meet as often as the Parties reasonably deem necessary in order to gather and furnish to the other all information with respect to the matter in issue which the Parties believe to be appropriate and germane in connection with its resolution. Such executives will discuss the Dispute and will negotiate in good faith in an effort to resolve the Dispute without the necessity of any formal proceeding relating thereto. The specific format for such discussions will be left to the discretion of the designated executives but may include the preparation of agreed upon statements of fact or written statements of position furnished to the other Parties. No formal proceedings for the resolution of the Dispute may be commenced until the earlier to occur of (a) a good faith mutual conclusion by the designated executives that amicable resolution through continued negotiation of the matter in issue does not appear likely or (b) the 30th day after the initial request to negotiate the Dispute.

- C. Limitations on Liability. No officer, agent, or employee of the Authority, the County, or the Company shall be subject to any personal liability or accountability by reason of the execution of this Agreement or any other documents related to the transactions contemplated hereby. Such officers, agents, or employees shall be deemed to execute such documents in their official capacities only, and not in their individual capacities. This Section shall not relieve any such officer, agent, or employee from the performance of any official duty provided by law.

In no event will a Party be liable to another Party for any loss of data, loss of profits, cost of cover or other special, incidental, consequential, indirect, punitive, exemplary or reliance damages arising from or in relation to this Agreement, however caused and regardless of theory of liability. In no event will a Party's liability to another Party for direct damages under this Agreement exceed the total amount, if any, of Annual Infrastructure Grants and Investment Performance Grants payable by the County under this Agreement for the twelve-month period preceding the claim. This Section XIII(C) does not limit the County's payment obligations under this Agreement.

- D. Material Breach; Notice and Cure Period. A Party will not be considered in material breach of this Agreement unless it breaches a material obligation under this Agreement, is given notice of its breach, and fails to cure within sixty (60) days of the notice. If the breach remains uncured following this sixty-day (60-day) cure period, the non-breaching Party may terminate this Agreement upon written notice to the breaching Party.
- E. Confidentiality and Proprietary Information. Any nonpublic information made available by the Company that should reasonably be considered to be confidential the ("Confidential Information") shall be maintained as confidential to the maximum extent permitted by law subject to the provisions of the Virginia Public Records Act (VPRA) and the Virginia Freedom of Information Act (FOIA).

The County and the Authority shall direct any other Party receiving Confidential Information from the County or the Authority, respectively, to:

1. use reasonable safeguards to maintain the security and confidentiality of all materials, communications, data, and information related to this Agreement or supplied by the Company in connection with this Agreement;
2. exercise the utmost discretion in oral and written communications regarding this Agreement;
3. provide information internally only to those individuals who need the information to facilitate the Parties' performance under this Agreement; and
4. maintain the security of all electronic and tangible records relating to this Agreement.

The County and the Authority shall:

1. maintain the security and confidentiality of all materials, communications, data, and information related to this Agreement or supplied by the Company in connection with this Agreement;
2. exercise the utmost discretion in oral and written communications regarding this Agreement;
3. provide information internally only to those individuals who need the information to facilitate the Parties' performance under this Agreement; and
4. maintain the security of all electronic and tangible records relating to this Agreement.

The County and Authority agree to promptly notify the Company in the event of a security breach that could have impacted any electronic or tangible records relating to this Agreement.

The Parties acknowledge that Confidential Information maintained by or in the custody of the County, the Authority, either, or both, are subject to the provisions of the VPRA and FOIA and thus are subject to the records retention and public disclosure requirements set forth in those statutes. The County and the Authority, as applicable, shall, within two (2) business days (and in any event before any actual disclosure), notify Company, in writing, of any disclosure requests for Confidential Information, including under such statutes or other similar statutes. Such written notice shall be given even if the disclosure requests do not comply with applicable laws or are exempt from disclosure under FOIA.

F. Notices.

1. Any communication required or permitted by this Agreement must be in writing and will refer to this Agreement, except as expressly provided otherwise in this Agreement.
2. Any communication under this Agreement will be sufficiently given and deemed given when personally delivered, sent by receipted facsimile transmission, or after deposited in the mails by registered or first-class certified mail, postage prepaid, with return receipt requested, together with an electronic copy sent by electronic mail, and addressed as follows:
 - a. If to Company:

Amazon Data Services, Inc.
P.O. Box 81226
Seattle, Washington 98108

Email: contracts-legal@amazon.com;
AWS-econ-dev@amazon.com
Fax: (206) 266-7010
Attention: General Counsel

And a copy which shall not constitute notice to:

Chris Lloyd
McGuireWoods Consulting, LLC
800 East Canal Street
Richmond, Virginia 23219
Email: clloyd@mwellc.com

And a copy to the Company's Single Point of Contact, which shall not constitute notice.

b. If to the Authority:

Economic Development Authority of the
County of Spotsylvania, Virginia
9019 Old Battlefield Boulevard
Suite 310
Spotsylvania, Virginia 22553
Facsimile: (540)710-7207
Email: dsanders@spotsylvania.va.us
Attention: Chair

With copy to:

Economic Development Authority
c/o Hefty Wiley & Gore
100 West Franklin Street
Suite 310
Richmond, Virginia 23220
Facsimile: (804)225-8356
Email: brendan@heftywiley.com

And a copy to:

County Administrator
P. O. Box 99
Spotsylvania, Virginia 22553
Facsimile: (540)507-7019
Email: coadmin@spotsylvania.va.us

And a copy to the County's Single Point of Contact listed in Exhibit B, which shall not constitute notice.

c. If to County:

County of Spotsylvania, Virginia
P. O. Box 99
Spotsylvania, Virginia 22553
Facsimile: (540)507-7019
Email: coadmin@spotsylvania.va.us
Attention: County Administrator

And a copy to:

County of Spotsylvania, Virginia
P. O. Box 308
Spotsylvania, Virginia 22553
Facsimile: (540)507-7028
Email: attorney@spotsylvania.va.us
Attention: County Attorney

3. Any Party may designate additional or different addresses for communications by notice given under this Section to the other Parties.
- G. Non-Business Days. If the date for making any payment or performing any act or exercising any right is not a day when County's general government offices are open for public business, such payment must be made or act performed or right exercised on or before the next business day such offices are open for public business.
- H. Assignment. The Parties will not assign this Agreement or any portion thereof without the written consent of the other Parties; provided, however, the Company is permitted to assign this Agreement or any portion thereof, or any funds due or to become due to it hereunder, to any direct or indirect wholly owned subsidiary or Affiliate of the Company or to any company that is the successor by merger, reorganization, asset purchase or otherwise to all or substantially all of its business (and any such party will assume all obligations of the Company under this Agreement).
- I. Force Majeure. Any delay in the performance of any of the duties or obligations of either Party hereunder (the "Delayed Party") shall not be considered a breach of this Agreement and the time required for performance shall be extended for a period equal to the period of such delay, provided that such delay is attributable to a Force Majeure Event. The Delayed Party will give prompt notice to the other Party of such cause and will take whatever reasonable steps are necessary to relieve the effect of such cause as promptly as possible. No such event or occurrence will excuse the payment of any sums due and payable hereunder on the due date thereof.
- J. Time. Time is of the essence in this Agreement and each and all of its provisions.

- K. Entire Agreement: Amendments. This Agreement constitutes the entire contract between the Parties relating to the subject matter of this Agreement. This Agreement may not be changed except in writing signed by all Parties.
- L. Counterparts. This Agreement may be executed in several counterparts. Each shall be an original, but all of them together constitute the same instrument.
- M. Severability. If any court of competent jurisdiction holds any provision of this Agreement invalid or unenforceable, then (a) such holding shall not invalidate or render unenforceable any other provision of this Agreement, unless such provision is contingent on the invalidated provision; and (b) the remaining terms hereof shall, in such event, constitute the Parties' entire agreement.
- N. Binding Effect. This Agreement is binding upon, inures to the benefit of and is enforceable by the Parties and their respective successors and assigns. There are no other agreements or other conditions precedent to the binding nature of the respective obligations of the Parties under this Agreement.
- O. Non-Binding on Land Use Decisions. Notwithstanding anything herein to the contrary, nothing herein will require or otherwise bind the County or the Board to make any land use decision related to the Company, the Sites, or the Project including, but not limited to, any decision on any permit, any plan, and any application for rezoning or special use permit.
- P. Sovereign Immunity; Non-Waiver. Notwithstanding anything herein to the contrary, nothing herein constitutes a waiver of sovereign immunity or any other immunity rights that exist now or may exist in the future for the County or the Authority or their respective officers or employees under the law. Nothing in this Agreement constitutes a waiver of any rights or claims the Company has or may have in the future under this Agreement or the law.
- Q. No Partnership or Joint Venture. Notwithstanding anything herein to the contrary, nothing herein is intended or will be construed in any manner or under any circumstance whatsoever as creating and establishing the relationship of copartners or creating or establishing a joint venture between or among any of the Parties or as designating any Party to the Agreement as the agent or representative of any other Party to the Agreement for any purpose.
- R. No Third-Party Beneficiaries. Notwithstanding any other provision of this Agreement to the contrary, the Parties agree that (i) the provisions of this Agreement are not intended to be for the benefit of any individual or entity other than the Parties; and (ii) no provision of this Agreement will be construed or interpreted to confer third-party beneficiary status on any individual or entity.

- S. Each Party Responsible for its Own Costs. The Parties will be responsible for its own costs incurred in performing its obligations under this Agreement, including attorney's fees.
- T. Nothing herein will be interpreted or operate as a pledge of the full faith and credit of the County within the meaning of any constitutional debt limitation, or will bind the County to appropriate funds for expenditures related to this Agreement. The County will direct the County Administrator to present future budgets to the Board for the Board to consider which will allow the County to obtain the funds required to fund the provisions of this Agreement. All payments by the County and the Authority under this Agreement are subject to and conditioned upon appropriations by the Board. The Authority cannot expend funds unless appropriated by the Board, and one Board cannot obligate a future Board. It is understood and agreed among the Parties that the County and the Authority will be bound to pay its financial obligations as set forth in this Agreement only to the extent of the funds available or which may hereafter become available for the purpose of this Agreement. Under no circumstances will the County's or the Authority's financial liabilities as set forth in this Agreement exceed the total amount of funds appropriated by the Board for the performance of this Agreement. Therefore, notwithstanding any provision of this Agreement to the contrary, if the Board fails to appropriate funds for the continuance of this Agreement, all payment obligations hereunder will be automatically suspended upon depletion to the then currently appropriated or allocated funds until a subsequent Board appropriates additional funds or this Agreement is terminated. The Parties hereby agree that a subsequent Board will not be obligated in any way to appropriate funds hereunder.
- U. Waiver of Any Other Incentives. The Company will not apply for, and hereby waives any right to, any economic incentives set out or offered in Spotsylvania County Code Sections 24-1 through 24-9. This paragraph and waiver shall not apply to, and does not waive, the incentives provided herein, including to provide expedited consideration of permits.
- V. The Authority. The Authority agrees to provide the County Administrator, or the designee thereof, with copies of all documents related to this Agreement, including, but not limited to, documents related to the administration of this Agreement, and will keep the County Administrator or his designee fully and timely informed in writing of all matters related to the Agreement. The Authority agrees that all funds transferred by the County to the Authority for the grants set forth herein will be used only and exclusively to satisfy the obligations contained in this Agreement related to the grants. It is the intent of the Parties not to impose upon the Authority any responsibility, duty or obligation other than what may be required to implement the grants. Accordingly, the Authority does not assume any responsibility or liability whatsoever except as provided herein or provided by law. If litigation involving the grants is initiated or expected to be filed against the Authority, the Authority will immediately notify the County Attorney and County Administrator. The Authority will keep records of its financial transactions, if any, related to the Agreement in

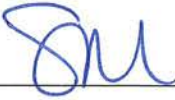

accordance with generally accepted accounting principles. The Authority will also retain any and all records related to this Agreement for the period of time required by the applicable retention schedules set by the Library of Virginia pursuant to the VPRA. In any event, the Authority will retain any and all records related to this Agreement for three (3) years beyond the last day of the last year of the Term of this Agreement.

- W. The Company is subject to all applicable laws pertinent to the Project, this Agreement, and the Company's obligations in connection with the Project and this Agreement. Nothing in this Agreement exempts the Company from applicable County laws.

(SIGNATURES FOLLOW ON THE NEXT PAGE)




DRAFT

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in their corporate names by their duly authorized officers, all as of the date first above written.

[SEAL] ATTEST: By: <u></u> Clerk	SPOTSYLVANIA COUNTY, VIRGINIA By: <u></u> Name Its: <u>County Administrator</u> Title DATE: <u>1/18/2024</u>
--	---

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

By: 
County Attorney

[SEAL]  ATTEST: By: <u></u> Clerk	ECONOMIC DEVELOPMENT AUTHORITY OF THE COUNTY OF SPOTSYLVANIA, VIRGINIA By: <u></u> Name Its: <u>Chairman</u> Title DATE: <u>1-25-2024</u>
--	--

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

By: 
Counsel for the Authority

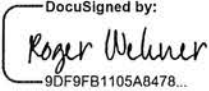
	AMAZON DATA SERVICES, INC.
	By: <u>Roger Wehner</u> Name
	Its: <u>Authorized Signatory</u> Title
	DATE: <u>February 8, 2024</u>

EXHIBIT A – SITES and DESCRIPTIONS

EXHIBIT B – Single Points of Contact

EXHIBIT C – Tax Ordinance

EXHIBIT D – Sample Capital Investments and Infrastructure Costs Report

DRAFT



**EXHIBIT A
(DESCRIPTION OF SITES)**

Cosner Tech Campus

Consisting collectively of approximately 329.39 acres, located in
Spotsylvania County, Virginia

Parcel Numbers: 36-A-43K (PORTION; INC. GAP)
36-A-43P (PORTION)
36-A-46
36-A-51C
50-A-112
50-A-113 (PORTION)
50-A-114
50-A-126
ROW (to be abandoned)
50-A-131A
50-A-132E

The amount of real and personal property taxes (including rollback taxes) generated at the Site described above during the tax year ended December 31, 2022: \$122,714.92.

Carter's Store Tech Campus

Consisting collectively of approximately 313.77 acres, located on Flippo
Drive in Spotsylvania County, Virginia

Parcel Numbers: 50-15-1
50-A-77 (PORTION)
50-A-79A
51-A-20

The amount of real and personal property taxes (including rollback taxes) generated at the Site described above during the tax year ended December 31, 2022: \$18,614.38.

Summit Crossing Tech Campus

Spotsylvania County Tax Map Parcel 51-A-33, consisting collectively of
approximately 231 acres, located on Summit Crossing Road in
Spotsylvania County, Virginia

Parcel Number: 51-A-33

The amount of real and personal property taxes (including rollback taxes) generated at the Site described above during the tax year ended December 31, 2022: \$4,263.17.

Mattameade Tech Park

Consisting collectively of approximately 158 acres, located generally on Orrock Road in Spotsylvania County, Virginia

Parcel Numbers: 76-A-61

76-A-58A

76-1-8

76-A-59

The amount of real and personal property taxes (including rollback taxes) generated at the Site described above during the tax year ended December 31, 2022: \$7,323.89.

DRAFT

**EXHIBIT B
(SINGLE POINTS OF CONTACT)**

As of the date of execution of this Agreement

as to the County:

Name: N/A

Title: County Administrator

Phone: 540-507-7010

Email: coadmin@spotsylvania.va.us

Mailing Address: County Administrator
P.O. Box 99
Spotsylvania, VA 22553

as to the Company:

Name:

Title:

Phone:

Email:

Mailing Address:

**EXHIBIT C
(TAX RESOLUTION)**

(Resolution contained on the following pages)

DRAFT

County of Spotsylvania
Founded 1721

Board of Supervisors
DEBORAH H. FRAZIER
LORI HAYES
JACOB LANE
KEVIN W. MARSHALL
TIMOTHY J. MCLAUGHLIN
DAVID ROSS
CHRIS YAKABOUSKI



County Administrator
ED PETROVITCH
Deputy County Administrator
MARK L. COLE
P.O BOX 99, SPOTSYLVANIA, VA 22553
Voice: (540) 507-7010
Fax: (540) 507-7019

Service, Integrity, Pride

At a meeting of the Spotsylvania County Board of Supervisors held on April 11, 2023, on a motion by Supervisor Lane and passed 4 to 3 with Supervisors Lane, McLaughlin and Ross opposed, the Board adopted the following resolution:

RESOLUTION NO. 2023-43

A RESOLUTION TO ADOPT THE TAX RATES FOR CALENDAR YEAR 2023

WHEREAS, it is the responsibility of the Spotsylvania County Board of Supervisors to set the tax rates for Calendar Year 2023; and

WHEREAS, the Board of Supervisors has received comments on the recommended tax rates from citizens of Spotsylvania County at a duly advertised public hearing; and

RESOLVED by the Spotsylvania County Board of Supervisors this 11th day of April 2023, that the following tax rates for Calendar Year 2023 be, and are hereby, approved, as set forth below; and, be it

CALENDAR YEAR 2023 COUNTY TAX RATES

Real Estate.....\$0.7717 per \$100 of assessed valuation
Personal Property
(Boats & Boat Trailers).....\$6.25 per \$100 of assessed valuation, assessed
at 50% of fair market value

Personal Property
(Automobiles as described in subdivision A3 of §58.1-3503, trucks of less than two tons
as described in subdivision A4 of §58.1-3503; trucks and other vehicles as described in
subdivision A5 of §58.1-3503; and motorcycles, mopeds, all-terrain vehicles, off-road
motorcycles, campers, and other recreational vehicles as described in subdivision A10 of
§58.1-3503).....\$5.42 per \$100 of assessed valuation, assessed at 50% of fair market
value


Personal Property
(All other classes of personal property not otherwise delineated herein).....\$6.35 per
\$100 of assessed valuation, assessed at 50% of fair market value

- Aircraft\$0.000001 per \$100 of assessed valuation,
assessed at 50% of fair market value
- Business Furniture & Fixtures.....\$4.55 per \$100 of assessed valuation, assessed at
no greater than 50% of fair market value
- Data Center Computer Equipment & Peripherals.....\$1.25 per \$100 of assessed
valuation, assessed at no greater than 50% of fair market value
- Mobile Homes.....\$0.7717 per \$100 of assessed valuation
- Machinery and Tools..... \$1.90 per \$100 of assessed valuation
- Heavy Duty Equipment.....\$1.55 per \$100 of assessed valuation
- Massaponax Special Service District
Special Tax.....\$0.00 per \$100 of assessed valuation
- Harrison Crossing Special Service District
Special Tax.....\$0.44 per \$100 of assessed valuation
- Lee Hill East Special Service District
Special Tax.....\$0.25 per \$100 of assessed valuation
- Lee Hill West Special Service District
Special Tax.....\$0.38 per \$100 of assessed valuation

RESOLVED FURTHER, that the County Administrator is authorized to take all necessary actions to give this resolution effect.

(SEAL)

A COPY TESTE:



Aimee R. Mann
Deputy Clerk to the Board of Supervisors

EXHIBIT D (CAPITAL INVESTMENTS AND INFRASTRUCTURE COSTS REPORT)

Sample report created for illustrative purposes and subject to change:

1 Sample form created for illustrative purposes and subject to change.

Line	Location	Location Name	Cost Center	Cost Center Name	Asset Key	Asset Acct Name	Total Cost	Capital Investment	Infrastructure
1									
2									
3									
4	1200X	Dana Center (Location Name, King George County, VA, US)	7451	Dana Center Capital	28110	Technology Improvements	800,000	800,000	-
5	1200X	Dana Center (Location Name, King George County, VA, US)	7451	Dana Center Capital	28110	Heavy Equipment	3,000,000	3,000,000	-
6	1200X	Dana Center (Location Name, King George County, VA, US)	7451	Dana Center Capital	28110	Technology Infrastructure	3,000,000	-	3,000,000
7	1200X	Dana Center (Location Name, King George County, VA, US)	7455	IT/IT Physical Security - VAS	16110	Technology Infrastructure	7,400,000	-	7,400,000
8	1200X	Dana Center (Location Name, King George County, VA, US)	7455	IT/IT Physical Security - VAS	16110	Furniture & Fixtures	100,000	100,000	-
9	1200X	Dana Center (Location Name, King George County, VA, US)	7455	IT/IT Physical Security - VAS	16110	Equipment	300,000	300,000	-
10	1200X	Dana Center (Location Name, King George County, VA, US)	7455	IT/IT Physical Security - VAS	16110	Technology Infrastructure	200,000	-	200,000
11	1200X	Dana Center (Location Name, King George County, VA, US)	7455	IT/IT Physical Security - VAS	16110	Technology Infrastructure	200,000	200,000	-
12	1200X	Dana Center (Location Name, King George County, VA, US)	7455	IT/IT Physical Security - VAS	16110	Technology Infrastructure	200,000	200,000	-
13	1200X	Dana Center (Location Name, King George County, VA, US)	7455	IT/IT Physical Security - VAS	16110	Technology Infrastructure	200,000	200,000	-
14	1200X	Dana Center (Location Name, King George County, VA, US)	7455	IT/IT Physical Security - VAS	16110	Technology Infrastructure	200,000	200,000	-
15	1200X	Dana Center (Location Name, King George County, VA, US)	7455	IT/IT Physical Security - VAS	16110	Technology Infrastructure	200,000	200,000	-
16	1200X	Dana Center (Location Name, King George County, VA, US)	7455	IT/IT Physical Security - VAS	16110	Technology Infrastructure	200,000	200,000	-
17	1200X	Dana Center (Location Name, King George County, VA, US)	7455	IT/IT Physical Security - VAS	16110	Technology Infrastructure	200,000	200,000	-
18	1200X	Dana Center (Location Name, King George County, VA, US)	7455	IT/IT Physical Security - VAS	16110	Technology Infrastructure	200,000	200,000	-
19	1200X	Dana Center (Location Name, King George County, VA, US)	7455	IT/IT Physical Security - VAS	16110	Technology Infrastructure	200,000	200,000	-
20	1200X	Dana Center (Location Name, King George County, VA, US)	7455	IT/IT Physical Security - VAS	16110	Technology Infrastructure	200,000	200,000	-
21	1200X	Dana Center (Location Name, King George County, VA, US)	7455	IT/IT Physical Security - VAS	16110	Technology Infrastructure	200,000	200,000	-
22	1200X	Dana Center (Location Name, King George County, VA, US)	7455	IT/IT Physical Security - VAS	16110	Technology Infrastructure	200,000	200,000	-
23	1200X	Dana Center (Location Name, King George County, VA, US)	7455	IT/IT Physical Security - VAS	16110	Technology Infrastructure	200,000	200,000	-
24	1200X	Dana Center (Location Name, King George County, VA, US)	7455	IT/IT Physical Security - VAS	16110	Technology Infrastructure	200,000	200,000	-
25	1200X	Dana Center (Location Name, King George County, VA, US)	7455	IT/IT Physical Security - VAS	16110	Technology Infrastructure	200,000	200,000	-
26	1200X	Dana Center (Location Name, King George County, VA, US)	7455	IT/IT Physical Security - VAS	16110	Technology Infrastructure	200,000	200,000	-
27	1200X	Dana Center (Location Name, King George County, VA, US)	7455	IT/IT Physical Security - VAS	16110	Technology Infrastructure	200,000	200,000	-
28	1200X	Dana Center (Location Name, King George County, VA, US)	7455	IT/IT Physical Security - VAS	16110	Technology Infrastructure	200,000	200,000	-
29	1200X	Dana Center (Location Name, King George County, VA, US)	7455	IT/IT Physical Security - VAS	16110	Technology Infrastructure	200,000	200,000	-
30	1200X	Dana Center (Location Name, King George County, VA, US)	7455	IT/IT Physical Security - VAS	16110	Technology Infrastructure	200,000	200,000	-
31	1200X	Dana Center (Location Name, King George County, VA, US)	7455	IT/IT Physical Security - VAS	16110	Technology Infrastructure	200,000	200,000	-
32	1200X	Dana Center (Location Name, King George County, VA, US)	7455	IT/IT Physical Security - VAS	16110	Technology Infrastructure	200,000	200,000	-
33	1200X	Dana Center (Location Name, King George County, VA, US)	7455	IT/IT Physical Security - VAS	16110	Technology Infrastructure	200,000	200,000	-
34	1200X	Dana Center (Location Name, King George County, VA, US)	7455	IT/IT Physical Security - VAS	16110	Technology Infrastructure	200,000	200,000	-
35	1200X	Dana Center (Location Name, King George County, VA, US)	7455	IT/IT Physical Security - VAS	16110	Technology Infrastructure	200,000	200,000	-
36	1200X	Dana Center (Location Name, King George County, VA, US)	7455	IT/IT Physical Security - VAS	16110	Technology Infrastructure	200,000	200,000	-
37	1200X	Dana Center (Location Name, King George County, VA, US)	7455	IT/IT Physical Security - VAS	16110	Technology Infrastructure	200,000	200,000	-
38	1200X	Dana Center (Location Name, King George County, VA, US)	7455	IT/IT Physical Security - VAS	16110	Technology Infrastructure	200,000	200,000	-
39	1200X	Dana Center (Location Name, King George County, VA, US)	7455	IT/IT Physical Security - VAS	16110	Technology Infrastructure	200,000	200,000	-
40		Grand Total					53,904,000	53,904,000	1,800,000
41									

Appendix G

ADS WATER AND WASTEWATER SERVICE AGREEMENT

COVER SHEET

This Water and Wastewater Service Agreement is between the Amazon Entity and Provider identified below (each a “**Party**” and together the “**Parties**”), is made as of the Effective Date identified below (“**Effective Date**”), and includes this Cover Sheet, the Terms and Conditions, and Exhibits (“**Agreement**”).

The Parties to this Agreement are:

Amazon Entity:	Amazon Data Services, Inc. or ADS
Provider:	Spotsylvania County, Virginia
Effective Date:	[month, day], 2024
Project:	Mattameade Tech (as identified in <u>Exhibit 6</u>)

Each Party’s contacts to receive notices about this Agreement are:

ADS	Provider
Amazon Data Services, Inc. 410 Terry Avenue North Seattle, WA 98109 Email: Infraenergy@amazon.com	County Administration Attn: County Administrator P.O. Box 99 Spotsylvania, VA 22553 coadmin@spotsylvania.va.us
Legal Notices:	Legal Notices:
410 Terry Avenue North Seattle, WA 98109 Attention: General Counsel (ADS) Email: contracts-legal@amazon.com infraenergy@amazon.com	County Attorney’s Office Attn: County Attorney P.O. Box 308 Spotsylvania, VA 22553 coatty@spotsylvania.va.us

Key Terms:

Table 1: Service Specifications – Mattameade Tech					
Provider Service:	Potable Water Line Extension		Low Flow Discharge Line Extension	Reclaim Water Line Extension	High Flow Discharge Line Extension
Infrastructure Description:	Mallard Road Waterline Extension to connect to stub on Mallard Rd	Orrock Road Waterline Extension to connect to Mallard Rd Extension near Intersection	Interim Sewer Flow Pump Station Phase 1 Sanitary Sewer Extension	Reuse System Distribution Extension	Regional Pump Station Phase 2, Sewer Extension
Infrastructure Design Specifications:	Exhibit 1		Exhibit 2	Exhibit 3	Exhibit 4
Delivery Rate (GPM):	<p>Interim Cooling ■ gpm (10/9/2026 - 2/7/2029)</p> <p>Interim Cooling after Cosner is on reuse ■ gpm (after Cosner is on reuse; 1/1/2027-2/7/2029*)</p> <p>Emergency Cooling (2/7/2027 onward**) ■ gpm</p> <p>Domestic Potable Water Maximum delivery rate: ■ gpm Average delivery rate: ■ gpm (10/9/2026 onward)</p> <p>Fire Protection Maximum delivery rate: ■ gpm for 8 hours (10/9/2026 onward)</p>		<p>Interim Cooling Water Discharge ■ gpm</p> <p>Domestic Sewer Maximum delivery rate: ■ gpm Average delivery rate: ■ gpm</p> <p>Total ■ gpm</p>	<p>Permanent Cooling Water Maximum Delivery Rate: ■ gpm</p>	<p>Permanent Cooling Water Discharge Maximum delivery rate: ■ gpm</p> <p>Sanitary Sewer (if needed) Maximum delivery rate: ■ gpm Average delivery rate: ■ gpm</p>

Pounds Per Square Inch (PSI) at meter/fence line:	35-80		NA	35-80	NA
Design and Engineering Delivery Date:	Complete	ADS - To Be Included In ADS Campus Site Plan	County by 9/18/2025	County by 7/8/2026	County by 7/8/2026
Construction Performed By:	Complete	ADS	ADS	ADS	ADS
Service Delivery Date:	10/9/2026		10/9/2026	2/7/2029	2/7/2029

Table 2: Estimated ADS Infrastructure Reimbursement Amounts				
Provider Service:	Reuse Conveyance and Return (PER and Easement)	Ground Storage Tank and Booster Pump Station	Reuse Pipeline	Return Pump Stations and Force Main
Estimated ADS Infrastructure Reimbursement Amount:	\$2,000,000	\$2,000,000	\$8,000,000	\$3,000,000

Table 3: Water Service Rates				
Provider Service:	Potable Water	Additional Potable Water	Level 1 Reclaimed Water	Discharge
Connection Rate:	Per Spotsylvania County Ordinance Sec. 22-128	Per Spotsylvania County Ordinance Sec. 22-128	TBD	Per Spotsylvania County Ordinance Sec. 22-128
Service Rate:	Per Spotsylvania County Ordinance Sec. 22-128	Per Spotsylvania County Ordinance Sec. 22-128	Set in accordance with Section 3.2 of this Agreement	Set in accordance with Section 3.2 of this Agreement
Billing and Payment:			Spotsylvania County Ordinance, Ch. 22, Div. 5	

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ADS WATER AND WASTEWATER SERVICE AGREEMENT

TERMS AND CONDITIONS

ARTICLE 1 – WATER AND SEWER INFRASTRUCTURE

1.1 Provider Infrastructure Obligations.

(a) ***Design and Engineering.***

(i) In accordance with the Service Specifications and Design Specifications set forth in Table 1 and consistent with the terms of this Agreement, Provider will design and engineer the Infrastructure necessary to provide the following Provider Services: Potable Water, Additional Potable Water, Level 1 Reclaimed Water Production, Level 1 Reclaimed Water, and Discharge. The Design Specifications for such Infrastructure are shown on the attached Exhibit 1, Exhibit 2, Exhibit 3, and Exhibit 4.

(ii) For all Mattameade Tech Infrastructure, set forth in Table 1 (except for the Potable Water Line Extension), Provider will complete the design and engineering by the Design and Engineering Delivery Date set forth in Table 1.

(iii) The Parties acknowledge that the Design Specifications, as defined and described in this Agreement, including, but not limited to, as set out in Table 1 and the Exhibits, are general in nature and will be amended by Provider. Provider may amend the Design Specifications for any reason including, but not limited to, ensuring consistency with the DSM and Applicable Law, meeting the Service Specifications while providing capacity to the region beyond the needs of the Projects, and ensuring the Infrastructure can be completed and accepted into the System. When amended by the Provider, the amended designs will then be considered the Design Specifications and incorporated into this Agreement. The Design Specifications will be determined at the sole discretion of the Provider, provided that the Design Specifications must be adequate to at least provide the Provider Services consistent with the Service Specifications. If Provider amends the Design Specifications, the Provider will promptly provide ADS a written copy of the change pursuant to its reporting obligations under Section 1.2(b). ADS may provide feedback to Provider pursuant to Section 1.2(b). Provider will not be required to pause its work to await any feedback from ADS. Provider will maintain a complete set of all specific Design Specifications and provide copies to ADS promptly upon completion of any specific designs or upon the request of ADS. The terms of this Agreement are subject in their entirety to the County's sole right to determine the Design Specifications set forth in this Section 1.1(a)(iii) and notwithstanding anything to the contrary in this Agreement, the terms of this Agreement will not be interpreted to limit the County's rights set forth in this Section 1.1(a)(iii).

(b) ***Property Rights & Permits.*** Provider will (i) exercise its best efforts to obtain all permits, other than local construction and land use permits related to the Projects, (ii) obtain all property rights necessary to construct the Infrastructure and necessary for the Provider to maintain the Infrastructure once accepted into the System, and (iii) provide access to ADS, its

employees, contractors, subcontractors, and agents during construction. ADS's and its employees', contractors', subcontractors', and agents' access to Provider's property and property rights during construction will be subject to and conditioned upon the terms of this Agreement including, but not limited to Section 5.2 and Section 5.3.

(c) **Reclaimed Water System.** Upon the discovery of any issue that has caused or may cause an outage of the Reclaimed Water System, Provider will promptly provide written notice to ADS. No later than 12 hours after discovery of such issue, Provider will commence repairs so as to minimize the duration of any outage of the Reclaimed Water System. Provider will perform the repairs necessary and consistent with Good Utility Practice and American Water Works Association standards to restore operation of the Reclaimed Water System as soon as is reasonably practicable. Provider will exercise its best efforts to maintain contractors on standby to promptly perform repairs of the Reclaimed Water System, and Provider will call upon its contractors and any applicable mutual aid agreements with other localities to promptly repair the Reclaimed Water System, which will be considered a critical system similar to hospitals. Provider will operate and maintain the Reclaimed Water System consistent with all manufacturers recommendations and Good Utility Practice.

(d) **Provider's Obligations Conditioned on ADS Funding.** The Parties understand and agree that Provider is not, and will not be, required to encumber any general or utility enterprise funds for the Provider's performance under Sections 1.1(a) through (c) and may rely solely upon the funding provided by ADS to meet these obligations. Therefore, the Provider's obligations under Section 1.1(a) through (c) are subject to, and conditioned upon, receipt of funding by ADS consistent with Section 1.3. ADS further agrees that it will not unreasonably withhold any amounts owed to the Provider under Section 1.3. To the extent (i) ADS does not timely perform its funding obligations described in Section 1.3 or its construction obligations described in Section 1.2(a), or (ii) despite use of best efforts, Provider does not timely obtain a required permit, and such failure delays Provider's performance of its obligations under Sections 1.1(a), 1.1(b), 1.1(c), or 1.2(b), then Provider will be entitled to a day-for-day delay in any affected Design and Engineering Delivery Dates and any affected Service Delivery Dates set forth in Table 1.

1.2 ADS Infrastructure Obligations.

(a) **Construction.** In accordance with the Design Specifications set forth in Table 1, the DSM, and Applicable Law, ADS will procure the LLE and other necessary construction materials and equipment and construct the Infrastructure necessary to provide the following Provider Services: Potable Water, Level 1 Reclaimed Water, and Discharge. ADS's obligation to construct the Infrastructure is subject to Provider's obligation to obtain all necessary property rights and permits as set forth in Section 1.1(c). If ADS has complied with Section 1.3 to the extent necessary for the Provider to perform the applicable work, and if Provider does not provide complete design and engineering for the Infrastructure to ADS by the applicable Design and Engineering Delivery Dates, or if Provider does not obtain the necessary property rights or permits in a reasonable amount of time to allow for the completion of construction by the applicable Service Delivery Date, then ADS will be entitled to a day-for-day delay in its obligations

under Section 1.2(a) and Section 1.2(b), as well as its obligation to transition to Level 1 Reclaimed Water for cooling water.

(b) **Reporting and Inspection.** Beginning on the 30th day following the Effective Date and continuing each month through completion of construction, ADS will update Provider in writing on ADS's progress on installing and constructing, as applicable, the Infrastructure identified in Section 1.2(a) (the "**ADS Monthly Report**"). Beginning on the 30th day following the Effective Date and continuing each month through completion of construction, Provider will update ADS in writing on provider's progress on designing, engineering, permitting, installing, and constructing, as applicable, the Infrastructure identified in Sections 1.1(a) and (b) (the "**Provider Monthly Report**"). The Parties may agree to increase or decrease the frequency of reporting as the Projects move forward. The Parties may comment on the respective Monthly Report, inspect progress during construction, and monitor progress during construction.

(c) **Property Rights.** Upon Provider's acceptance of the System or any part thereof, ADS will grant, convey, transfer, and assign or cause the grant, conveyance, transfer, and assignment to the Provider of easements or other property rights in ADS's or its Affiliate's property necessary for Provider to construct, maintain, operate, and repair the Infrastructure. ADS will reasonably assist Provider in acquiring all offsite property rights and rights-of-way located outside ADS's property line or outside the property line of the property otherwise encompassing the Projects if not owned by ADS to allow the Provider to construct, maintain, operate, and repair the Infrastructure.

(d) **Acceptance Testing.** Within 10 business days after ADS's submission of a request for first acceptance (as described in the DSM), of the Infrastructure, or any portion thereof which is at the time appropriate for acceptance into the System under the DSM, Provider will cause such Infrastructure to be inspected by an engineer selected by Provider and reasonably acceptable to ADS (the "**Third-Party Engineer**") and tested for compliance with the Site Plan, the DSM (as the DSM was in effect at the time of Site Plan approval), and Applicable Law. ADS will provide the County with a non-binding, estimated schedule of acceptance testing, identifying the portions of the Infrastructure anticipated to be ready for inspection and the anticipated time frame, and Provider will exercise reasonable efforts to comply with such schedule. ADS will not bury the Infrastructure or otherwise limit the Provider's or the Third-Party Engineer's access to the Infrastructure in a manner that prevents inspection of the Infrastructure as set forth in the DSM. Acceptance of all or a portion of the Infrastructure into the System is conditioned on Provider's approval that the Infrastructure meets the Site Plan, the DSM (as the DSM was in effect at the time of Site Plan approval), and Applicable Law, provided such approval will not be unreasonably withheld, conditioned, or delayed. Provider will promptly communicate any deficiencies in the Infrastructure discovered in the inspections so as to allow ADS to perform the work necessary to correct the deficiencies and ensure the Infrastructure complies with the Site Plan, the specifications set forth in the DSM, and Applicable Law so that it can be accepted into the System.

(e) **Turnover and Acceptance.** ADS will turn over, assign, and convey the Infrastructure to the Provider as set forth in the DSM.

1.3 Infrastructure Payment Obligations.

(a) **Advance and Reimbursement.** The Parties agree the Estimated ADS Infrastructure Reimbursement Amounts set out in Table 2 of the Cover Sheet are a reasonable estimate of the costs and expenses to be incurred by the Provider related to Provider's obligations under this Agreement. ADS will advance, and, if necessary, reimburse the Provider for reasonable costs and expenses incurred by Provider or its agents to design, engineer, construct, and secure property rights for the Infrastructure in accordance with Article 1 of this Agreement. If ADS disputes any cost or expense incurred or estimated by the Provider claiming that the cost or expense is not reasonable, it will promptly notify the Provider and specifically identify the reasons why it thinks the costs or expenses are not reasonable, and, if ADS provides said notice and reasons, the Parties will attempt in good faith to resolve such dispute through prompt negotiations. However, Provider will not be required to pause its work to await any resolution of said negotiations, and if ADS withholds any payment of the Provider's costs or expenses, Provider will be entitled to the relief set forth in Section 1.1. Any payment by ADS will not waive any right to contest a cost or expense as not reasonable. If the Parties agree that ADS has paid Provider for unreasonable costs or expenses, then the Parties will reduce a future ADS payment by such amount or will include such amount in the true-up statement described in Section 1.3(b)(iii).

(b) **Schedule.**

(i) **Initial Estimated Quarterly Advance and Reimbursement Schedule.**

Within 60 days of the Effective Date, Provider will deliver to ADS a schedule of estimated quarterly costs and expenses. The schedule will show estimated costs and expenses, broken out by each Provider Service indicated in the Key Terms of the Cover Sheet, through each applicable Design and Engineering Delivery Date and Service Delivery Date.

(ii) **Updated Quarterly Estimates.** Within 60 days prior to the start of each calendar quarter, Provider will provide ADS an estimate of engineering, design, permitting, construction, and property right acquisition costs and expenses for Infrastructure to be incurred during the upcoming calendar quarter. ADS will transfer to Provider funding sufficient to cover the anticipated quarterly costs and expenses within 30 days of the first business day of each calendar quarter.

(iii) **Quarterly Billing.** Within 30 days of the close of each calendar quarter, Provider will provide ADS with invoices or other documentation reasonably acceptable to ADS showing Provider's actual costs and expenses related to the performance of Provider's obligations under this Agreement related to the Infrastructure, including the reasonable costs and expenses of obtaining property rights incurred by Provider or its agents during the preceding quarter and any amount in arrears. ADS and Provider will adjust the next quarterly expense estimate to either provide additional funding to cover Provider's incurred expenses in excess of ADS's payments or reduce ADS's funding to account for unspent funds. Within 60 days of completion of construction of the Infrastructure, Provider will issue to ADS a true-up statement that includes all invoices and relevant documentation of the costs and expenses Provider actually incurred related to the Infrastructure, and states either (i) the amount due from ADS to Provider, or (ii) the

refund due from Provider to ADS. Any true-up amounts due by ADS or Provider will be paid within 30 days following presentation of the true-up statement.

1.4 **Second Contractor.** Provider will use best efforts to identify two contractors at time of bid selection, one primary and one secondary, to perform the design and engineering work set forth in Table 1, and such secondary contractor would be available to assume the design and engineering work if so directed by Provider. If Provider reasonably believes it will not be able to deliver its design and engineering obligations set forth in Section 1.1 by the applicable Design and Engineering Delivery Date and if utilizing a secondary contractor will allow Provider to meet the requirements of Section 1.1 by the applicable Design and Engineering Delivery Date, then Provider will utilize best efforts to contract with the identified secondary contractor to perform the design and engineering work. To the extent allowable by Applicable Law, if Provider reasonably believes it will not be able to deliver its construction performance obligations set forth in Section 1.1 by the applicable Service Delivery Date and if utilizing a secondary contractor will allow Provider to meet the requirements of Section 1.1 by the applicable Service Delivery Date, then Provider will utilize best efforts to contract with a secondary contractor to perform the construction work. If ADS reasonably anticipates that Provider will not be able to meet an applicable Design and Engineering Delivery Date or Service Delivery Date, it may request Provider to utilize a secondary contractor to complete the work and Provider will consider the request and provide ADS with a written explanation of its determination.

1.5 **Latecomer Connection Charge.** Provider will, and hereby does, direct its staff to exercise best efforts, to the extent the legislation is permitted by Applicable Law, to draft legislation and otherwise create a program to present to the Board for consideration amending the Spotsylvania County Code to include provisions authorized in Virginia Code § 15.2 – 2243, or any similar statutory authority, to allow the Provider to administer the recovery from any Latecomer and reimbursement to ADS of costs incurred to design, engineer, and construct Infrastructure related to cooling water supply and discharge. Such cost recovery from Latecomers and payment to ADS would be on a pro-rata basis, determined using the ratio of the Infrastructure’s total capacity to a Latecomer’s requested usage.

ARTICLE 2 – TERM, EFFECTIVE DATE, TERMINATION

2.1 Term.

(a) **Initial Term.** This Agreement will take effect on the Effective Date and will remain in effect for 20 years (“Initial Term”).

(b) **Renewal Terms.** Upon the expiration of the Initial Term, this Agreement will renew by its own terms for successive 12-month terms (each a “Renewal Term”, and together with the Initial Term, “Term”) unless either ADS or the Provider provides written notice to the other at least 90 days prior to the expiration of the Initial Term or any Renewal Term that it does not intend to renew the Agreement.

(c) **Conditions Precedent.**

(i) This Agreement, despite any execution hereof, has no legal effect, is non-binding, is unenforceable, and will be considered void in any legal action or other attempt to enforce it, unless and until the Revenue Share, as defined herein, is established. For the sake of clarity, the Revenue Share is not established if it does not meet the terms set out in its definition in Article 10. This Agreement is wholly conditioned upon the establishment of the Revenue Share.

(ii) The Provider's commitments in this Agreement are wholly conditioned upon the completion of the upgrades to the Massaponax Wastewater Treatment Plant set forth in the Water and Wastewater Service Agreement between Spotsylvania County and ADS regarding Cosner Tech, Carter's Store Tech, and Summit Crossing Tech and any other infrastructure required to be built as part of that agreement which is necessary to convey water, recycled (reclaimed, reuse) water, wastewater, and discharge to or from the Infrastructure to be designed and constructed herein.

2.2 Termination.

(a) **Termination by ADS.** ADS may terminate this Agreement at any time by providing written notice to Provider at least 90 days prior to the date of such termination. If ADS terminates this Agreement pursuant to this Section 2.2, then ADS's sole liability and Provider's exclusive remedy is payment for (i) any outstanding costs and expenses incurred by Provider pursuant to Section 1.3 as of the termination date, (ii) any Provider Services provided under this Agreement as of the termination date, and (iii) any remaining construction and payment obligations which are provided for under Section 2.2(c).

(b) **Termination from Closure.** Provider may terminate this Agreement upon 90 days' prior written notice only if (i) the Projects permanently cease their data center operations for more than 12 consecutive months and at least 3 years has passed from the Effective Date and (ii) Provider has paid ADS all amounts due and owing under this Agreement.

(c) **Work in Progress; ADS Parent Guaranty.** If ADS terminates this Agreement, or if ADS defaults and the Provider elects to terminate this Agreement as set forth in Article 7, then ADS will remain obligated to pay, consistent with Section 1.3, for the entire completion of the Infrastructure then currently being constructed. By way of example, should the Infrastructure then being constructed be designed to be constructed in 10 phases and should ADS have completed 3 phases that have been accepted by Provider into the System and at the time of termination phase 4 is being constructed, then ADS will be responsible for the costs to complete phase 4 so that phase 4 can be accepted into the System, provided that ADS would not be required to pay for or complete phases 5 through 10. ADS will have no obligation to pay for or complete any Infrastructure for which construction had not begun. To guarantee ADS's payment for the completion of the remaining Infrastructure being constructed by ADS for the portion of the Infrastructure then currently underway at the time of termination if not completed by ADS, within 120 calendar days after the Effective Date, ADS will execute and deliver to Provider a parent guaranty issued by Amazon.com, Inc., in favor of Provider, with a cap of \$70,000,000.00 and in the form attached as Exhibit 5 ("**ADS Security**"). Provider may exercise its rights under the ADS Security to recover unpaid costs due from ADS's obligations under this Section 2.2(c). ADS

may cancel the ADS Security upon ADS's turnover and Provider's acceptance of the Infrastructure required to be completed under this Section 2.2(c).

(d) If ADS terminates this Agreement under this Section 2.2, it will immediately, upon written demand by the Provider, grant or release or cause the grant or release to the Provider, all real property rights and personal property rights owned or controlled by ADS or its Affiliates necessary for Provider to complete the remaining Infrastructure then being constructed by ADS.

ARTICLE 3 – RATES AND PAYMENTS

3.1 **Provision of and Payment for Provider Services.** ADS will apply for the Provider Services using Provider's generally applicable form. No later than 10 business days after Provider's receipt of ADS's completed application as deemed complete by Provider for a Provider Service and completion and acceptance of all necessary Infrastructure, the Provider will approve ADS's application and will provide the Provider Services in accordance with the Service Specifications set forth in Table 1. ADS will pay for the Provider Services in accordance with the rates contained in Table 3.

3.2 **Level 1 Reclaimed Water and Discharge Provider Services.** If Provider establishes rates for Level 1 Reclaimed Water Provider Service and for Discharge Provider Service, the rates will be consistent with Applicable Law, commensurate with the cost of providing the Level 1 Reclaimed Water Provider Service and Discharge Provider Service, and will be established following the procedure and standards established by Virginia Code § 15.2-2119. If Provider establishes rates for Level 1 Reclaimed Water Provider Service, the Provider will, and hereby does, direct its staff to exercise best efforts, to the extent the legislation is permitted by Applicable Law, to draft legislation to allow the Provider to consider setting rates which will not require ADS to pay an availability fee for Level 1 Reclaimed Water Provider Service.

3.3 **Interim Cooling and Emergency Cooling.** Provider will make available to ADS [REDACTED] gpm of interim cooling water and emergency cooling water to Mattameade, as shown in Table 1, only after Cosner Tech is receiving water from the Reclaimed Water System. Prior to Cosner Tech receiving water from the Reclaimed Water System, Provider will provide ADS with interim cooling and emergency cooling consistent with the flows shown in Table 1. ADS may use Potable Water as interim cooling water until Level 1 Reclaimed Water is available for ADS's use as permanent cooling water.

3.4 **Notice of Available or Use Change.** Provider will provide notice to ADS at least 10 business days in advance, or as soon as reasonably possible in the case of a Force Majeure Event, if Provider Services will be interrupted for maintenance, repairs, or other purposes. If Provider does not provide substitute Provider Services, ADS may provide its own substitute Provider Services, and Provider will cooperate to provide access to Infrastructure as needed for ADS to utilize such substitute Provider Services. ADS will provide Provider with at least 10 business days prior written notice if it plans to substantially reduce its usage of Provider Services, and will provide such notice promptly after the discovery of an unplanned and substantial reduction of its usage.

3.5 **Measurement of Water Quantity.** Upon installation of the meters by ADS, Provider will own, operate, and maintain one or more meters that meet all applicable accuracy, precision, and calibration standards established by Good Utility Practice and Applicable Law. Provider will read each meter on a monthly basis to determine the amount of each Provider Service delivered to each Project and will bill ADS on a monthly basis based on its usage and consistent with Applicable Law. When Provider provides regulatory reporting on water quality measurements for water provided to ADS, it will provide such reports to ADS. ADS may request additional sampling events and the addition of sampling parameters beyond what is required for regulatory compliance, and Provider will reasonably grant such requests, provided that ADS will be responsible for all reasonable costs associated with these requests.

ARTICLE 4 – FORCE MAJEURE EVENT & CHANGE IN LAW

4.1 **Definition.** A Party will not be responsible to the other party for any delay or failure to perform to the extent that the delay or failure to perform is caused by an event or circumstance that (a) is beyond the reasonable control of such Party, (b) was not foreseeable at the time of execution of this Agreement, or if foreseeable, could not have been avoided or overcome by such Party through the exercise of commercially reasonable diligence, and (c) prevents, hinders or delays such Party in its performance of any (or any part) of its obligations under this Agreement (each, a “**Force Majeure Event**”). Subject to the requirements of the prior sentence, Force Majeure Events may include acts of God, sudden actions of the elements such as floods, earthquakes, hurricanes, or tornadoes; high winds, lightning, ice storms or other weather event or physical natural disaster of a strength or duration that is not normally encountered in the area of the Projects; fire; sabotage; vandalism; terrorism; war; cyber-attacks; invasion; hostilities; rebellion; revolution; requisition; expropriation or compulsory acquisition by any governmental or competent authority; riots; explosion; blockades; insurrection; epidemics; employment strike against a third-party; slow down or labor disruptions (even if such difficulties could be resolved by conceding to the demands of a labor group); or interruptions to transportation.

Under no circumstances will the following events constitute a Force Majeure Event: (i) any acts or omissions of any third party under the control or direction of a Party, including, without limitation, any vendor, customer, or supplier of the Party claiming Force Majeure Event, unless such acts or omissions themselves result from underlying Force Majeure Events; (ii) changes in economic or market conditions that affect the costs or benefits of a Party’s performance or ADS’s availability of funds to make payments due.

4.2 **Notice and Mitigation.** The Party affected by a Force Majeure Event will promptly notify the other Party in writing of such event, giving details of the Force Majeure Event, its anticipated effect on the affected Party’s performance under this Agreement, and the steps that the affected Party is taking to remedy the delay. Upon the occurrence of a Force Majeure Event, the affected Party will, as promptly as practicable, use all reasonable efforts to eliminate the cause of such Force Majeure Event, reduce costs, and resume performance under this Agreement. Upon cessation of a Force Majeure Event, the affected Party will provide prompt written notice to the other Party.

4.3 **Change in Law.** If changes to an Applicable Law materially impact the enforceability or operation of this Agreement, the Parties will negotiate in good faith to amend this Agreement to preserve the benefits of this Agreement to each Party; provided that this Agreement will be enforced and implemented to the fullest extent permitted by Applicable Law, even if no such amendment is agreed to by the Parties.

ARTICLE 5 – LICENSING, INSURANCE. INDEMNIFICATION, RELEASE

5.1 **Business License.** ADS will obtain and maintain all business licenses and permits related to its business operations required by Applicable Law.

5.2 **Insurance Coverage.** ADS will maintain or cause its contractors to maintain the following insurance coverage, naming Provider as additional insured, until ADS's turnover and Provider's acceptance of the Infrastructure. ADS will provide the Provider with certificates of insurance for said coverage upon execution of this Agreement. All policies of insurance will be written by insurance companies licensed to conduct the business of insurance in Virginia and will carry the provision that the insurance will not be cancelled or materially modified by ADS without thirty (30) days prior written notice to the Provider:

(a) General Liability – in an amount not less than \$5,000,000 for any occurrence involving bodily injury, and not less than \$5,000,000 for any occurrence involving property damage. Coverage should be provided on a per Project/per location basis.

(b) Automobile Liability Policy – in an amount not less than \$2,000,000 combined single limit bodily injury and property damage. This coverage will include liability for use of hired and non-owned vehicles; and

(c) Workers' Compensation – in compliance with all states in which ADS does business, including Coverage B Employer's Liability in not less than the following amounts:

Bodily Injury by accident \$100,000 for each accident;

Bodily Injury by disease, \$500,000 policy limit; and

Bodily Injury by disease, \$100,000 for each employee.

(d) Professional Liability Insurance in an amount not less than \$5,000,000 per occurrence and \$15,000,000 in the aggregate. The amount of coverage may increase according to the project value.

5.3 **Indemnification by ADS.** ADS will indemnify, defend, and hold harmless the Provider Indemnified Parties from and against all third party claims, demands, injuries (including personal injury, death, and property damage) and legal proceedings and all resulting Damages, to the extent arising from: (1) the negligence, gross negligence, or willful conduct of ADS or any of its Affiliates, officers, employees, agents, representatives, or contractors in connection with performance of ADS's obligations under this Agreement; (2) any violation of Applicable Law by ADS or any of ADS's Affiliates, officers, employees, agents, representatives, or contractors that occurs in the performance of ADS's obligations under this Agreement; (3) the failure by ADS to fulfill any of its obligations under this Agreement; **except that** the Provider Indemnified Parties

will not be indemnified hereunder to the extent any Damages are solely attributable to the gross negligence or willful misconduct of any Provider Indemnified Party or the unexcused breach by Provider of any of its obligations under this Agreement.

5.4 **Release by Provider.** Provider hereby releases ADS and any of its Affiliates, officers, employees, agents, representatives, or contractors from any and all claims for Damages to the extent arising from (1) the negligence, gross negligence, or willful conduct of Provider or any of its officers, employees, agents, representatives, or contractors in connection with performance of Provider's obligations under this Agreement; (2) any violation of Applicable Law by Provider or any of Provider's officers, employees, agents, representatives, or contractors that occurs in the performance of Provider's obligations under this Agreement; (3) the failure by Provider to fulfill any of its obligations under this Agreement; and (4) the acts or omissions of any third party that is not under the control of ADS (for the avoidance of doubt, ADS's Affiliates, contractors, subcontractors, employees, and agents are considered to be under the control of ADS); **except that** nothing in this Section 5.4 will release ADS, its Affiliates, officers, employees, agents, representatives, or contractors from any claims for Damages to the extent they are solely attributable to the negligence, gross negligence, or willful misconduct of ADS, its Affiliates, officers, employees, agents, representatives, or contractors or the unexcused breach by ADS of any of its obligations under this Agreement.

ARTICLE 6 – WARRANTIES AND COVENANTS

6.1 **Supply Chain Standards.** To the extent applicable to Provider's activities in connection with the Agreement, Provider will make its contractors aware of the Supply Chain Standards.

6.2 **Confidentiality and Proprietary Information.** Any nonpublic information made available by ADS to the Provider and any information made available by the Provider to ADS or otherwise created by ADS or the Provider that should reasonably be considered to be confidential (the "**Confidential Information**") will be maintained as confidential to the maximum extent permitted by Applicable Law subject to the provisions of the Virginia Public Records Act ("**VPRA**") and the Virginia Freedom of Information Act ("**FOIA**"). For the avoidance of doubt, information about ADS's water usage, sewer usage, or basis of design is considered Confidential Information.

The Provider will provide information internally only to those individuals who need the information to facilitate the performance of this Agreement, and will direct any such person to:

- (a) use reasonable safeguards to maintain the security and confidentiality of all materials, communications, data, and information related to this Agreement or supplied by the ADS in connection with this Agreement;
- (b) exercise the utmost discretion in oral and written communications regarding this Agreement;
- (c) provide information internally only to those individuals who need the information to facilitate the Parties' performance under this Agreement; and

- (d) maintain the security of all electronic and tangible records relating to this Agreement.

The Provider will:

- (a) maintain the security and confidentiality of all materials, communications, data, and information related to this Agreement or supplied by ADS in connection with this Agreement;
- (b) exercise the utmost discretion in oral and written communications regarding this Agreement;
- (c) provide information internally only to those individuals who need the information to facilitate the Parties' performance under this Agreement; and
- (d) maintain the security of all electronic and tangible records relating to this Agreement.

ADS will direct any other party receiving Confidential Information from Provider to:

- (a) use reasonable safeguards to maintain the security and confidentiality of all materials, communications, data, and information related to this Agreement or supplied by the ADS in connection with this Agreement;
- (b) exercise the utmost discretion in oral and written communications regarding this Agreement;
- (c) provide information internally only to those individuals who need the information to facilitate the Parties' performance under this Agreement; and
- (d) maintain the security of all electronic and tangible records relating to this Agreement.

ADS will:

- (a) maintain the security and confidentiality of all materials, communications, data, and information related to this Agreement or supplied by Provider in connection with this Agreement;
- (b) exercise the utmost discretion in oral and written communications regarding this Agreement;
- (c) provide information internally only to those individuals who need the information to facilitate the Parties' performance under this Agreement; and
- (d) maintain the security of all electronic and tangible records relating to this Agreement.

Each Party will promptly notify the other in the event of a security breach that could have impacted any electronic or tangible records relating to this Agreement.

The Parties acknowledge that Confidential Information maintained by or in the custody of the Provider is subject to the provisions of the VPRA and FOIA and thus is subject to the records retention and public disclosure requirements set forth in those statutes. The Provider, will, within two (2) business days (and in any event before any actual disclosure), notify ADS, in writing, of any disclosure requests for Confidential Information, including under such statutes or other

similar statutes. Such written notice will be given even if the disclosure requests do not comply with Applicable Law or are exempt from disclosure under FOIA.

ADS will keep confidential all photographs, digital imagery, reports, information, or data given to ADS by the Provider or its Third-Party Engineer as well as any photographs, digital imagery, reports, drawings, studies, analysis, data tables, or calculations prepared by ADS under this Agreement. No release of any such data by ADS will be made to any individual or organization without the prior written approval of the Provider, which approval the Provider will be under no obligation to grant. ADS further agrees that it will fully obtain all rights and releases to photographs, digital imagery, reports, information, or data utilized in ADS's final report, drawings, and/or digital photo library before submission of the report and library to the Provider.

6.3 Public Announcements. The Parties will not issue, or allow a third party or Affiliate to issue, any public announcement, press release or public statement, or conduct press tours, regarding this Agreement without the other Party's prior written consent, not to be unreasonably withheld.

6.4 Information Sharing. ADS authorizes the Information Sharing Parties to disclose the ADS Tax Information to Provider and Caroline County for the sole purpose of effectuating the Revenue Share. If the Information Sharing Parties do not share the ADS Tax Information with Provider or Caroline County, ADS will, upon request of the Provider or Caroline County, provide access to the ADS Tax Information to Provider or Caroline County.

6.5 Obligations Related to Third Parties. In the event that ADS sells or leases any portion of the Project to a third party that is not an Affiliate of ADS, and such third party desires water services, ADS will either: (1) assign this Agreement to such third party, subject to the consent of the Provider as provided in Section 8.3; or (2) obligate such third party to execute a new Agreement concerning the Provider Services with the Provider.

ARTICLE 7 – DEFAULT AND REMEDIES

7.1 Events of Default. Any of the following actions or inactions by a Party will constitute an "Event of Default" if such Party (the "Defaulting Party"):

(a) **Breach of Obligations.** Fails to perform any material obligations or covenants under this Agreement, which failure continues for 30 days after written notice from the other Party ("Non-Defaulting Party").

(b) **Insolvency.** (i) Becomes insolvent or is unable to pay its debts or fails (or admits in writing its inability) generally to pay its debts as they becomes due; (ii) makes a general assignment, arrangement, or composition with or for the benefit of its creditors; (iii) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditor's rights, or a petition is presented for its winding-up or liquidation, which proceeding is not dismissed, stayed, or vacated within 30 days thereafter; (iv) commences a voluntary proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights; (v) seeks or consents to the appointment of an

administrator, provisional liquidator, conservator, receiver, trustee, custodian, or other similar official for it or for all or substantially all of its assets; (vi) has a secured party take possession of all or substantially all of its assets, or has a distress, execution, attachment, sequestration, or other legal process levied, enforced, or sued on or against all or substantially all of its assets; (vii) causes or is subject to any event with respect to which, under the Applicable Law of any jurisdiction, has an analogous effect to any of this events specified in clauses (i) to (vi) inclusive; or (viii) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

7.2 Remedies for Event of Default. Upon the occurrence of an Event of Default and notice to the Defaulting Party, the Non-Defaulting Party may avail itself of any or all of the following remedies:

- (a) Suspend performance of its obligations under this Agreement;
- (b) Receive, if so ordered by a court of competent jurisdiction, from the Defaulting Party direct Damages incurred by the Non-Defaulting Party in connection with such Event of Default;
- (c) Terminate this Agreement upon 30 days' written notice; provided, that if the Event of Default cannot be cured within 30 days of the notice of intent to terminate, but the Defaulting Party is working diligently to cure such Event of Default, then the 30-day cure period will be extended day-for-day up to a total of 90 days so long as (i) the Event of Default remains reasonably susceptible to cure and (ii) the Defaulting Party provides periodic (not less than weekly) updates regarding its efforts and progress.

7.3 Limitation of Damages. Damages payable under this Agreement will be limited to direct Damages. Neither Party will be liable for indirect, special, consequential, incidental, exemplary, or punitive Damages including, without limitation, lost profits, lost production, or lost revenues, arising out of this Agreement, except to the extent resulting from a Party's indemnification obligations under this Agreement. ADS's indemnity and insurance requirements and the Provider's rights under those requirements set out in Sections 5.2, and 5.3 will not be limited by this Section 7.3.

7.4 No Waiver. A Party's failure at any time or times to require strict performance by the other Party of any provision of this Agreement will not waive, affect, or diminish any right of such Party thereafter to demand strict compliance and performance herewith or therewith. Any suspension or waiver of an Event of Default will not suspend, waive, or affect any other Event of Default whether the same is prior or subsequent thereto and whether the same or of a different type. No waiver is effective unless signed in a non-electronic form by the waiving Party.

ARTICLE 8 – MISCELLANEOUS

8.1 Notices. Each Party consents to electronic signatures. All notices under this Agreement must be written, and in English, and notice will be deemed effective when received. All notices will be sent in accordance with the Cover Sheet. Either Party may from time to time

change its notice address by giving the other Party notice of the change in accordance with this Section 8.1.

8.2 **Severability.** If any court of competent jurisdiction or applicable Governmental Authority finds any part of this Agreement invalid or unenforceable, then that part is deemed modified to the extent necessary to render it valid and enforceable. If it cannot be so saved, it will be severed, and the remaining parts will remain in full force and effect.

8.3 **Assignment.** Except as provided in this Section 8.3, neither Party may assign this Agreement without the other Party's prior written consent, which will not be unreasonably withheld. ADS may assign this Agreement to an Affiliate of ADS without Provider's consent.

8.4 **Non-Waiver.** A waiver of one breach under this Agreement is not a waiver of any other breach. No waiver is effective unless signed in a non-electronic form by the waiving Party.

8.5 **Governing Law and Venue.** This Agreement will be governed by and interpreted in accordance with the laws of the Commonwealth of Virginia, excluding its conflicts of law provisions. Disputes under or related to this Agreement and the ADS Security will be resolved in the Spotsylvania County Circuit Court or the U.S. District Court for the Eastern District of Virginia, Richmond Division, as applicable. The Parties agree to this venue and jurisdiction and waive all defenses of lack of personal jurisdiction and inconvenient forum.

8.6 **Waiver of Jury Trial.** Each Party waives, to the fullest extent permitted by Applicable Law, any right it may have to a trial by jury in respect of any dispute arising out of or relating to this Agreement.

8.7 **Survival.** Section 2.2, Section 5.3, Section 5.4, Article 6, Section 7.2(b), Section 7.3, Article 8, and Article 10 will survive the expiration or termination of this Agreement. Section 1.5 will survive the termination of this Agreement upon the Provider's acceptance of any Infrastructure into its System. Article 9 will survive termination of this Agreement unless the Agreement is terminated under Section 7.2(c) of this Agreement. All Sections referenced above will include all subsections thereof and all articles referenced above will include all sections and subsections thereof.

8.8 **No-Third Party Beneficiaries.** Nothing in this Agreement will provide any benefit to any third-party or entitle any third-party to any claim, cause of action, remedy, or right of any kind.

8.9 **Relationship of Parties.** The Parties are independent contractors, and nothing in this Agreement creates an employer-employee relationship, a partnership, joint venture, or other relationship between the Parties. Neither Party has authority to assume or create obligations of any kind on the other's behalf.

8.10 **Entire Agreement; Counterparts.** This Agreement, together with all incorporated exhibits and schedules, constitute the complete and final agreement of the Parties pertaining to the terms in this Agreement and supersede the Parties' prior related agreements, understandings, and discussions. This Agreement will not supersede the Economic Development Local Performance Agreement, or the Proffers. Each Party will accept electronic signatures for

the execution of this Agreement and execution may be conducted in counterparts, each of which (including signature pages) is an original, but all of which together is one and the same instrument.

8.11 **Subject to Applicable Law.** This Agreement and the actions of the Parties are subject to Applicable Law.

8.12 **Subject-to-Appropriations; No Pledge of Credit.** Nothing herein will be interpreted or operate as a pledge of the full faith and credit of the Provider, or will bind the Provider to appropriate funds for expenditures related to this Agreement. All payments and other performances by the Provider under this Agreement are subject to and conditioned upon appropriations by the Board. The Provider cannot expend funds unless appropriated by the Board, and one Board cannot obligate a future Board. It is understood and agreed among the Parties that the Provider will be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this Agreement. Under no circumstances will the Provider's total liability under this Agreement exceed the total amount of funds appropriated by the Board for the payments hereunder for the performance of this Agreement. Therefore, notwithstanding any provision of this Agreement to the contrary, if the Board fails to appropriate funds for the continuance of this Agreement, all obligations hereunder will be automatically suspended upon depletion to the then currently appropriated or allocated funds until a subsequent Board appropriates additional funds or this Agreement is terminated. The Parties hereby agree that a subsequent Board will not be obligated in any way to appropriate funds hereunder. All funding provided by ADS to the Provider shall be returned to the Provider if not appropriated by the Board for the purposes of this Agreement.

8.13 **Nonwaiver, and Superseding Effect, of the Proffers and the Rights and Liabilities Thereunder.** Notwithstanding anything in this Agreement to the contrary, this Agreement will not in any way limit or waive the Proffers or the Parties' rights, liabilities, and duties in the Proffers. If there is a conflict between this Agreement and the Proffers, terms of the Proffers will govern and control.

8.14 **Sovereign Immunity, Nonwaiver.** Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement constitutes a waiver of sovereign immunity or any other immunity rights that exist or may now or may exist in the future for the Provider or its respective officers and employees under Applicable Law.

ARTICLE 9 – LIMITATIONS ON SERVICES

9.1 **Limitation on Extension of Provider Services.** In consideration of receiving the Provider Services, and to protect the Provider's interests in the Revenue Share, ADS will not extend, nor permit the extension of the Provider Services described in Table 1 beyond the property boundaries of the Project identified in Exhibit 6 unless specifically authorized in writing by the Provider after approval of the Board.

9.2 **Limitation on Outside Services.** In consideration of receiving the Provider Services, and to protect the Provider's interests in the Revenue Share, ADS will, as it relates to the use of the property within the boundaries of the Project identified in Exhibit 6, not connect

to, or utilize, any water, reclaimed water, discharge, or sewer services, which are not provided by the Provider, except that ADS may utilize its own water stored on site. If ADS decides to construct and operate a greater number than the eleven (11) data centers currently contemplated within the property boundaries of the Project identified in Exhibit 6, the Provider will have the right of first refusal to provide water, reclaimed water, discharge, and sewer services to those additional data centers. From the date of a request for such services, which must be no sooner than after the eleventh (11th) data center is built within the property boundaries of the Project identified in Exhibit 6, Provider will have a maximum of 120 days to commit, in writing, to provide the applicable services to ADS. In the event that Provider cannot commit to provide water, reclaimed water, discharge, or sewer services beyond the scope of the Provider Services described in Table 1, within 120 days of such a request, to more than eleven (11) data centers by 10 weeks prior to the Service Delivery Date which is applicable to those additional data centers beyond the eleven (11), and as reasonably agreed to in the future by the Parties, ADS may, at its discretion, connect to and utilize another provider for such services, but only at and for the additional data centers beyond the eleven (11) data centers currently contemplated. In such event, ADS will continue to receive the Provider Services for: (1) the eleven (11) data centers currently contemplated within the property boundaries of the Project identified in Exhibit 6; and (2) any other use which the Provider is capable of providing to the Project.

ARTICLE 10 – DEFINITIONS AND INTERPRETATION

10.1 **Interpretation.** The Parties have fully negotiated this Agreement, and it will be interpreted according to the plain meaning of its terms without any presumption that it should be construed either for or against either Party. Words, phrases or expressions not otherwise defined in this Agreement that (i) have a generally accepted meaning in Good Utility Practice will have such meaning in this Agreement or (ii) do not have well known and generally accepted meaning in Good Utility Practice but that have well known and generally accepted technical or trade meanings, will have such recognized meanings. The symbol “\$” refers to United States Dollar.

10.2 **Definitions.** As used in this Agreement, the following terms will have the meanings set forth below:

- (a) **“ADS Security”** is defined in Section 2.2(c).
- (b) **“ADS Tax Information”** means (i) all of ADS’s local tax bills for the Project identified in Exhibit 6, as further described in the Revenue Share, and payable to either Spotsylvania County or Caroline County, respectively; and (ii) confirmation that ADS’s tax liabilities have been satisfied.
- (c) **“Affiliate”** means, with respect to any person, each person that directly or indirectly controls, is controlled by, or is under common control with such designated person. For purposes of this definition, “control” (including, with correlative meanings, the terms “controlled by” and “under common control with”), as used with respect to any person, will mean (a) the direct or indirect right to cast at least 50% of the votes exercisable at an annual general meeting (or its

equivalent) of such person or, if there are no such rights, ownership of at least 50% of the equity or other ownership interest in such person, or (b) the right to direct the policies or operations of such person.

- (d) **“Applicable Law”** means all laws, statutes, rules, regulations, ordinances, codes, judgments, orders, approvals, tariffs, decrees, proffers, and other pronouncements (all as may be amended or recodified from time to time) having the effect of law of any Governmental Authority including, but not limited to, those referenced in Table 3.
- (e) **“Board”** means the Spotsylvania County Board of Supervisors.
- (f) **“Cosner Tech”** means the data center project as identified by Exhibit 6 in the Water and Wastewater Service Agreement between Spotsylvania County and ADS regarding Cosner Tech, Carter’s Store Tech, and Summit Crossing Tech.
- (g) **“Damages”** means any liability, judgement, fine, penalty, settlement, expense and cost (including reasonable attorney’s fees).
- (h) **“Design Specifications”** means the utility infrastructure designs as described in Exhibits 1 through 4.
- (i) **“Design Standards Manual”** or **“DSM”** means the regulatory manual adopted by the Board that establishes the generally applicable standards and conditions related to the construction of water, sewer, and reclaimed water utility infrastructure and its connection to the System.
- (j) **“Good Utility Practice”** means any of the practices, methods, and acts engaged in or approved by a significant portion of the water utility industry during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act, to the exclusion of all others, but rather is intended to include acceptable practices, methods, and acts generally accepted in the industry.
- (k) **“Governmental Authority”** means any national, state, provincial, local, tribal or municipal government, any political subdivision thereof or any other governmental, regulatory, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, department, bureau, or entity with authority to bind a Party in law.
- (l) **“Information Sharing Parties”** means the Commissioner of Revenue for Caroline County, the Treasurer for Caroline County, the Commissioner of Revenue for Spotsylvania County, and the Treasurer for Spotsylvania County.

- (m) **“Infrastructure”** means any and all of the facilities that will provide each Provider Services to the Projects, as set forth in the Design Specifications and the Key Terms.
- (n) **“Latecomer”** means any person who in the future receives reclaimed water services through the Reclaimed Water System constructed pursuant to this Agreement within 10 years of the date of the completion of that Infrastructure.
- (o) **“LLE”** means long lead equipment.
- (p) **“Potable Water System”** means a potable water supply system owned and operated by Provider to provide potable water to residents and businesses that are customers of Provider.
- (q) **“Proffers”** means, collectively, the proffers approved by the Spotsylvania County Board of Supervisors on October 10, 2023 as a condition of rezoning: Spotsylvania Tax Map Numbers 76-1-8, 76-A-59, 76-A-61 and 76-A-58A being located generally on Orrock Road in Spotsylvania, Virginia.
- (r) **“Project”** means the development of data centers and related infrastructure at Mattameade Tech locations as identified in Exhibit 6.
- (s) **“Provider Indemnified Party”** means Provider and its respective officers, employees, agents, representatives, successors, and assigns.
- (t) **“Provider Services”** means the water services meeting the Service Specifications set forth in Table 1 of the Cover Sheet.
- (u) **“Reclaimed Water System”** means that water system owned and operated by Provider to supply Level 1 reclaimed water for cooling purposes to industrial users of Provider.
- (v) **“Revenue Share”** means a written fully executed agreement between Spotsylvania County and Caroline County, authorized by their respective local governing bodies, and receiving all other necessary approvals under Applicable Law, in which Caroline County and Spotsylvania County agree to share tax revenue derived from the Project with each other in exchange for Spotsylvania County providing the Provider Services to the Project.
- (w) **“Service Delivery Date”** means the date on which the Project will be connected to the Provider’s system, and the Provider begins providing the necessary water and/or sewer services to the Project.
- (x) **“Sewer System”** means a sewer system owned and operated by Provider that receives and treats wastewater from customers of the Provider.
- (y) **“Site Plan”** means a site plan approved by the Spotsylvania County Planning Office, or any successor office or agency related to the Projects.
- (z) **“System”** or **“Systems”** means, collectively, the Potable Water System, the Sewer System, and the Reclaimed Water System collectively as applicable.

- (aa) **“Supply Chain Standards”** means the supply chain standards available at: <https://sustainability.aboutamazon.com/people/supply-chain>, as amended from time to time.
- (bb) **“Table 1”** is defined in Section 1.1(a)(i).

DRAFT

Agreed to by the Parties as of the Effective Date:

Amazon Data Services, Inc.

SPOTSYLVANIA COUNTY

By:

Name:

Title:

Date Signed:

By:

Name:

Title:

Date Signed:

Approved as to form:

By:

Name:

Title:

DRAFT

Exhibit 1
Interim and Emergency Cooling Water;
Potable Water
Design Specifications

Interim and emergency cooling water and domestic potable water will be provided by the following infrastructure improvements:

- A 150-foot waterline extension from a proposed 12" water main on Mallard Road to the proposed County easement on the Mattameade Tech Campus off of Orrock Road.
- A 4,000-foot pipeline extension along Orrock Road, connecting to the 150-foot extension mentioned above.
- Size to be determined by Provider but anticipated to be 12" ductile iron pipe. Pipeline should conform to AWWA C151.

DRAFT

Exhibit 2
Interim Spent Cooling Water and Domestic Wastewater Discharge
Design Specifications

Interim spent cooling water and domestic wastewater will be provided by the following infrastructure improvements:

- (1) Forcemain.
 - Installation of an approximately 6,000-foot forcemain along the Orrock Road, crossing under I-95 to convey spent cooling water and domestic wastewater from the interim regional wastewater pumping station near the Mattameade Tech Site off of Orrock Road to a trunk sewer on the west side of I-95, which flows to Thornburg WWTP. The Provider will determine the design during the preliminary engineering phase.
- (2) Interim regional wastewater pump station.
 - A regional wastewater pumping station near the Mattameade Tech Site off of Orrock Road will collect and pump domestic wastewater and spent cooling water to Thornburg WWTP along the forcemain mentioned above. Pumping station should be designed to provide the flow rates set forth in [Table 1](#).
 - Upon implementation of the permanent regional pump station, this interim regional pump station will be converted to handle the domestic wastewater and spent cooling water during the low flow/shoulder seasons or decommissioned to consolidate flows at the permanent station.
 - The Provider will determine the design during the preliminary engineering phase.

DRAFT

Exhibit 3
Permanent Cooling Water
Design Specifications

The permanent cooling water infrastructure will be comprised of:

(1) Conveyance pipeline.

- An approximately 8-mile reclaimed water conveyance pipeline to convey reclaim water between the booster pumping station at Cosner Tech and the reclaimed water storage tank on the Mattameade campus, outside of the secured area.
- The Provider will determine pipeline sizes during the preliminary engineering phase but are anticipated to be one or more force mains between 12" and 20" dependent upon hydraulics and materials. If DIP is selected pipeline design, DIP will conform to AWWA C151. If PVC is selected pipeline design, PVC will conform to AWWA C900. If HDPE is selected pipeline design, HDPE will conform to AWWA C906.
- If reclaim water standards are added to the Spotsylvania County Department of Utilities' Water and Sanitary Sewer Design and Construction Standards, the Provider will consider incorporating the standards in the above bullet point.
- The preliminary pipeline route has been identified the Provider but the final route will be determined by the Provider during the design process.
- Designed to provide for surge pressures and allow for surge relief.
- Designed to include directional drilling and other approaches as needed for stream crossings.

(2) Reclaimed booster pumping station and associated water storage at Mattameade site.

- A reclaimed water storage and booster pumping station on the Mattameade campus, outside of the secured area off of Orrock Road.
- The Provider will determine the design of the reclaimed water storage and booster pumping station during the preliminary engineering phase.
- The booster pumping station will be designed to pump reclaimed water to the on-site storage tanks at the Mattameade Site. Pumping station should be designed to provide the flow rates set forth in Table 1.

Exhibit 4
Permanent Spent Cooling Water Discharge
Design Specifications

Permanent spent cooling water and domestic wastewater will be provided by the following infrastructure improvements:

(1) Conveyance pipeline.

- An approximately 8-mile forcemain to convey peak flow of the spent cooling water and domestic wastewater from the permanent regional wastewater pumping station near the Mattameade Tech Site off of Orrock Road to the Gilman regional pumping station and from there to the 30" interceptor in Massaponax Church Road.
- The Provider will determine pipeline sizes during the preliminary engineering phase.

(2) Permanent Regional Wastewater Pumping Station.

- A pumping station near the Mattameade Tech Site off of Orrock Road will collect and pump domestic wastewater and spent cooling water to the Gilman regional pump station along the alignment selected by the Provider. Ultimately, the collected wastewater will be discharged to the 30" interceptor in Massaponax Church Road.
- Pumping station should be designed to provide the flow rates set forth in Table 1.
- The Provider will determine the design during the preliminary engineering phase.

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Exhibit 5
Form of ADS Parent Guaranty

LIMITED PARENT GUARANTY

This Limited Parent Guaranty ("Guaranty"), effective _____, is made by Amazon.com, Inc. ("Amazon.com") to and for the benefit of _____ ("Beneficiary"). Capitalized terms not otherwise defined herein have the meanings specified in the Contract (as defined below).

Recitals

- A. _____, a directly or indirectly wholly owned subsidiary of Amazon.com ("Subsidiary"), and Beneficiary are parties to that certain _____ Agreement (the "Contract") effective _____, _____.
- B. In order to be assured of payment under the Contract, Beneficiary desires that Amazon.com guaranty the performance of certain payment obligations as set forth herein.

Guaranty

In consideration of the foregoing and to induce Beneficiary to enter into the Contract, Amazon.com agrees as follows.

1. Amazon.com unconditionally and absolutely guarantees to Beneficiary Subsidiary's performance when due and owing of all present and future payment obligations not paid in accordance with the terms of the Contract by Subsidiary. Notwithstanding anything to the contrary set forth in this Guaranty, Amazon.com's maximum cumulative liability under this Guaranty shall be \$ _____ (the "Guaranty Cap").
2. Under this Guaranty, Amazon.com shall perform (or cause Subsidiary to perform) all payment obligations in accordance with the terms and conditions of the Contract.
3. Amazon.com promises to pay all amounts guaranteed promptly upon receipt of a written notice from Beneficiary which evidences (i) Subsidiary's non-performance of its payment obligations under the Contract, and (ii) Beneficiary's first having demanded payment from Subsidiary in writing, which Subsidiary has not honored. Except to the extent of the demand requirement set forth in this Section 3, Amazon.com waives protest and notice of dishonor or default. This is a guaranty of payment only, and not of collection.
4. This Guaranty is governed as to its validity, construction and performance by the laws of the Commonwealth of Virginia, without regard to its conflict of law provisions.
5. Amazon.com agrees that this Guaranty is a continuing guaranty and shall remain in full force and effect until all payment obligations under the Contract have been performed as set forth in the Contract, subject to Section 1 above.
6. This Guaranty is binding upon and inures to the benefit of Amazon.com and Beneficiary and their respective successors and assigns.

7. Amazon.com has all rights and defenses that each Subsidiary may have to any payment obligation, except that the liability of Amazon.com is not affected by (a) any defense based upon an election of remedies by Beneficiary that destroys or otherwise impairs the subrogation rights of Amazon.com or the right of Amazon.com to proceed against any Subsidiary for reimbursement; (b) any duty on the part of Beneficiary to disclose to Amazon.com any facts Beneficiary may know about any Subsidiary, it being agreed that Amazon.com is fully responsible for being and keeping informed of the financial condition of each Subsidiary and of all circumstances bearing on the risk of non-payment of the payment obligations; or (c) any defense arising from the bankruptcy or insolvency of any Subsidiary.
8. All notices hereunder will be given in writing, will refer to this Guaranty and will be personally delivered or sent by overnight courier, or registered or certified mail (return receipt requested). Notices to Amazon.com will be delivered at the following addresses:

Mail

Amazon.com, Inc.
P.O. Box 81226
Seattle, WA 98108-1226
Attn. (insert Amazon business)

Courier

Amazon.com, Inc.
410 Terry Avenue North
Seattle, WA 98109
Attn. (insert Amazon business)

With a copy to:

Amazon.com, Inc.
P.O. Box 81226
Seattle, WA 98108-1226
Attn. General Counsel (insert Business)

With a copy to:

Amazon.com, Inc.
410 Terry Avenue North
Seattle, WA 98109
Attn. General Counsel (insert Business)

Amazon.com may from time to time change such address by giving Beneficiary notice of such change in accordance with this Section 8.

AMAZON.COM, INC.

By: _____
Printed Name: _____
Title: _____
Date Signed: _____

**Exhibit 6
Identification of Projects**

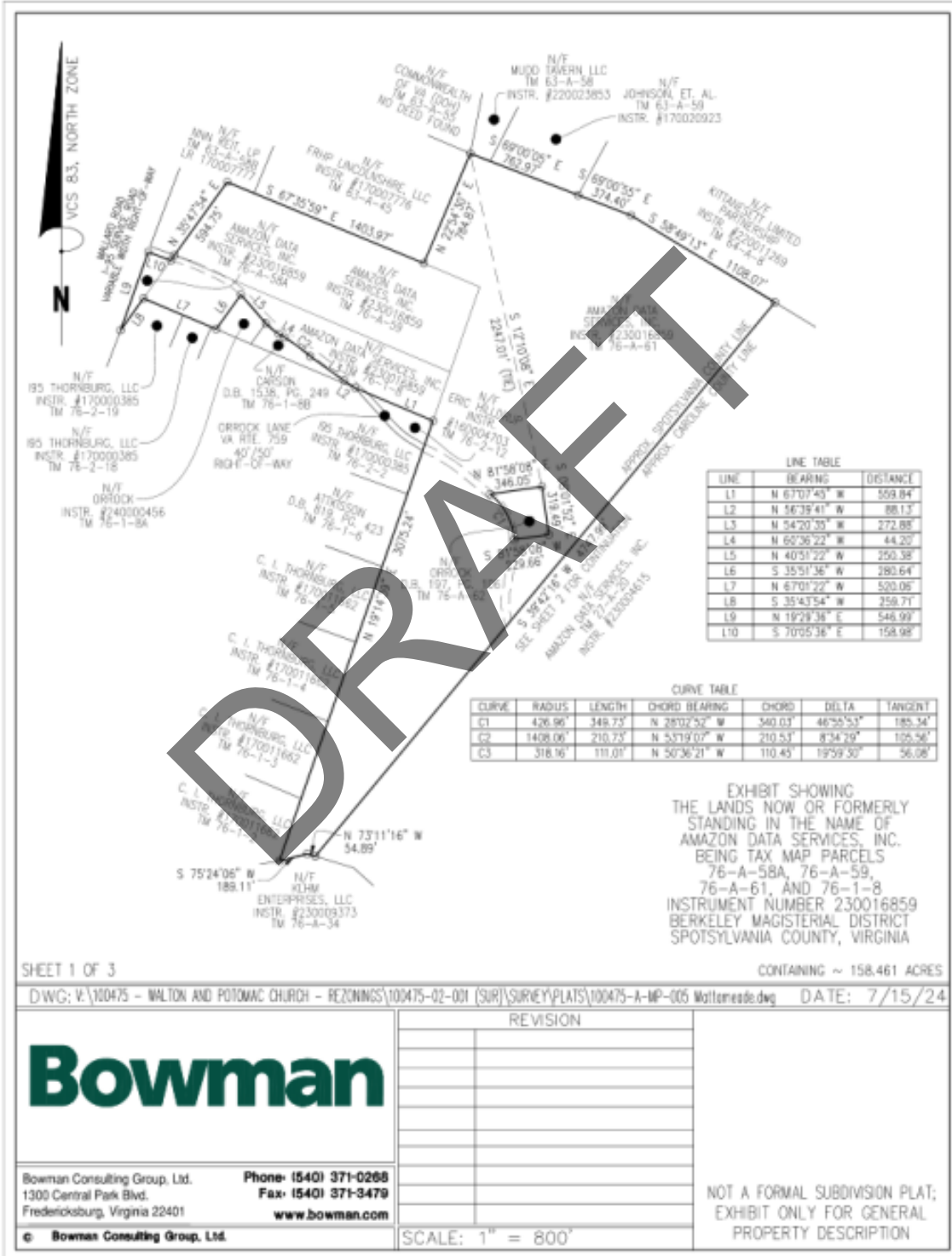


EXHIBIT SHOWING
 THE LANDS NOW OR FORMERLY
 STANDING IN THE NAME OF
 AMAZON DATA SERVICES, INC.
 BEING TAX MAP PARCELS
 27-A-1, 27-A-2, AND 27-A-4A
 INSTRUMENT NUMBER 230004614
 TAX MAP PARCELS
 27-A-3 AND 27-A-20
 INSTRUMENT NUMBER 230004615
 TAX MAP PARCEL 27-A-4
 INSTRUMENT NUMBER 230004687
 AND TAX MAP PARCEL 26-A-63
 INSTRUMENT NUMBER 230004426
 MADISON MAGISTERIAL DISTRICT
 CAROLINE COUNTY, VIRGINIA



SHEET 2 OF 3

CONTAINING ~ 975.572 ACRES

DWG: V:\100475 - WALTON AND POTOMAC CHURCH - REZONINGS\100475-02-001 (SUR)\SURVEY\PLATS\100475-A-MP-005 Mattmeade.dwg DATE: 7/17/24

Bowman

Bowman Consulting Group, Ltd. Phone- (540) 371-0268
 1300 Central Park Blvd. Fax- (540) 371-3479
 Fredericksburg, Virginia 22401 www.bowman.com

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REVISION

SCALE: 1" = 1200'

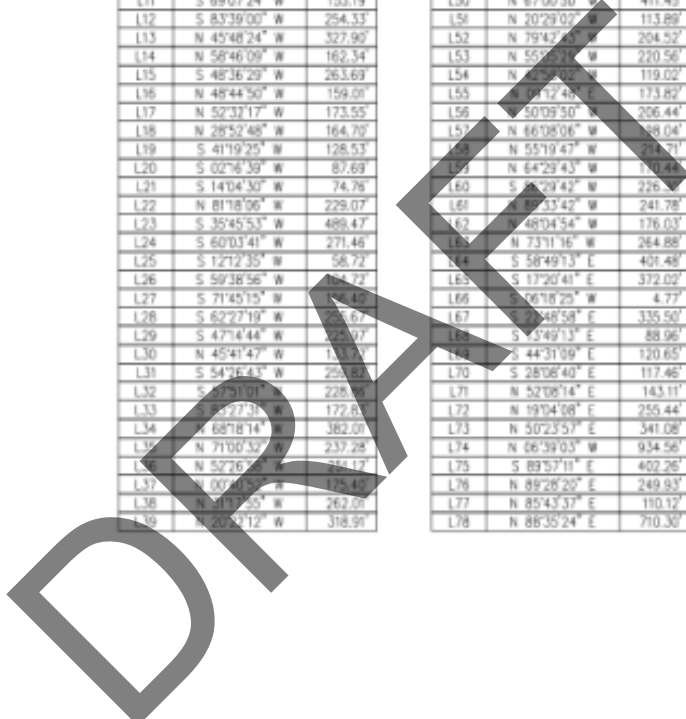
NOT A FORMAL SUBDIVISION PLAT;
 EXHIBIT ONLY FOR GENERAL
 PROPERTY DESCRIPTION

LINE TABLE

LINE	BEARING	DISTANCE
L1	S 07°01'08" W	648.05
L2	S 07°07'46" W	232.78
L3	N 85°17'56" W	22.13
L4	N 02°23'34" W	146.74
L5	N 44°52'07" W	105.67
L6	S 88°21'19" W	180.19
L7	S 29°14'46" W	143.63
L8	S 25°29'10" W	96.50
L9	N 87°59'03" W	44.36
L10	N 70°02'20" W	183.56
L11	S 89°07'24" W	153.19
L12	S 83°39'00" W	254.33
L13	N 45°48'24" W	327.90
L14	N 58°46'09" W	162.34
L15	S 48°36'29" W	263.69
L16	N 48°44'50" W	159.01
L17	N 52°32'17" W	173.55
L18	N 28°52'48" W	164.70
L19	S 41°19'25" W	128.53
L20	S 02°16'39" W	87.69
L21	S 14°04'30" W	74.76
L22	N 81°18'06" W	229.07
L23	S 35°45'53" W	489.47
L24	S 60°03'41" W	271.46
L25	S 12°12'35" W	56.72
L26	S 59°38'56" W	164.72
L27	S 71°45'15" W	164.40
L28	S 62°27'19" W	252.67
L29	S 47°14'44" W	252.07
L30	N 45°41'47" W	133.51
L31	S 54°26'43" W	253.83
L32	S 33°51'01" W	228.89
L33	S 33°27'31" W	172.83
L34	N 68°18'14" W	382.01
L35	N 71°00'32" W	237.28
L36	N 52°26'12" W	244.17
L37	N 00°40'55" W	185.41
L38	N 31°19'55" W	262.01
L39	N 20°52'12" W	318.91

LINE TABLE

LINE	BEARING	DISTANCE
L40	N 74°19'41" E	128.14
L41	N 21°38'23" E	157.02
L42	N 02°29'44" W	193.51
L43	N 35°36'37" W	171.62
L44	S 83°24'25" W	182.70
L45	S 68°33'04" W	336.99
L46	S 46°33'24" W	134.88
L47	S 61°37'53" W	247.90
L48	N 54°45'47" W	23.93
L49	N 22°59'10" E	1365.77
L50	N 67°00'50" W	411.49
L51	N 20°29'02" W	113.89
L52	N 79°42'45" W	204.52
L53	N 55°32'17" W	220.56
L54	N 63°32'02" W	119.02
L55	N 89°12'48" W	173.82
L56	S 00°09'50" W	206.44
L57	N 66°08'06" W	188.04
L58	N 55°19'47" W	718.71
L59	N 44°29'43" W	140.44
L60	S 82°29'42" W	226.44
L61	N 89°33'42" W	241.78
L62	N 48°04'54" W	176.03
L63	N 73°11'16" W	264.88
L64	S 58°49'13" E	401.48
L65	S 17°20'41" E	372.02
L66	S 06°18'20" W	4.77
L67	S 44°48'58" E	335.50
L68	S 43°49'13" E	88.96
L69	S 44°31'09" E	120.65
L70	S 28°08'40" E	117.46
L71	N 52°08'14" E	143.11
L72	N 19°04'08" E	255.44
L73	N 50°23'57" E	341.08
L74	N 66°39'03" W	934.56
L75	S 89°57'11" E	402.26
L76	N 89°28'20" E	249.93
L77	N 85°43'57" E	110.12
L78	N 86°35'24" E	710.30



SHEET 3 OF 3

D:\WG: V:\100475 - WALTON AND POTOMAC CHURCH - REZONINGS\100475-02-001 (SUR)\SURVEY\PLATS\100475-A-MP-005 Mattmore.dwg DATE: 7/17/24

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