

DRAFT 2/2/26

**Memorandum of Understanding Between King George County
Service Authority and Dahlgren Innovation Hub, LLC**

This Memorandum of Understanding (the "MOU") documents the mutual intent of King George County Service Authority, a political subdivision of the Commonwealth of Virginia (the "Authority") and Dahlgren Innovation Hub, LLC (the "Developer") to enter into an agreement on terms and conditions as generally set forth herein. This MOU reflects a cooperative understanding between the Authority and the Developer for the mutual benefit of both parties.

WHEREAS, the Developer is the contract purchaser of real property located in King George County (the "County"), and identified as 17-24, 17-27, and 17-27A, (collectively, the "Property", individually each a "Parcel"); and

WHEREAS, the Developer intends to develop the Property as a data center hub (the "Project"); and

WHEREAS, the Developer shall connect to the Authority's water system (the "Authority's System") to provide a water supply to the Property and may also receive reclaimed water from the Authority's Dahlgren Wastewater Treatment Plan ("WWTP") subject to the terms of this MOU; and

WHEREAS, the Developer desires facilitate the provision of water service to the Property and expand the Authority's water and wastewater system, and the Authority desires to commit to provide water service to the Property, pursuant to an agreement (the "Water Agreement"), between the Developer and the Authority; and

WHEREAS, the Water Agreement will, among other things, govern the terms of the construction, permitting and transfer to the Authority of specified utility improvements (including but not limited to the conveyance, if accepted by the County, of the exiting 200,000-gallon Cleydael Water Storage Tower (the "Water Tank") currently located on Parcel 17-72), and

NOW THEREFORE, in consideration of the premises, and the mutual benefits which the parties will enjoy by the implementation of this MOU, the parties agree as follows:

Section 1. Limited Provision of Water by Authority

1. The Developer shall be permitted to connect to the Authority's water system and purchase potable water for domestic use on the Property, which may include usage for operations, excluding cooling.
2. The Authority agrees to provide a maximum of 100,000 gallons per day (GPD) of potable water to serve the data center buildings constructed on the Property (the "Primary Usage Amount"), provided that the first data center building is connected to the Authority's water system within seven (7) years of the date of execution of the Water Agreement. If the first data center building is not connected within seven (7) years, then the Authority's obligation to provide potable water to the

Project shall be based on the amount of water that the Authority has available to serve the Project. The actual amount of water required per each building shall be determined prior to completion of construction of each building.

3. The Developer shall reimburse the Authority for the metered amount of water used, at such rates as are normally paid by similar users at the time of connection.
4. Prior to the completion of construction of the first data center building, the Developer will offer to convey the Water Tank and all appurtenant facilities and distribution lines to the Authority. Prior to the conveyance of the Water Tank, the tower shall be inspected and certified as being in good working order by a licensed professional and in an acceptable condition as determined by the Authority.

Section 2. Operational Reclaimed Water Usage

1. Should the Developer require additional water from the Authority in excess of the Primary Usage Amount, then the Developer shall have the right, at its option, to construct a return pipe from the Dahlgren Wastewater Treatment Plant (the “WWTP”), and any necessary facilities (including but not limited to pretreatment facilities) to use reclaimed water for any use including cooling purposes. The use of the reclaimed water shall be subject to the following minimum terms and conditions.
 - a. It shall be the Developer’s responsibility to acquire any and all necessary easements and permits (to the extent authorized by applicable state agencies), authorizing the construction and operation of the return pipe and all appurtenant facilities. The Developer shall pay the costs associated with all permits and shall provide all engineering and supporting documents, unless otherwise required by the Authority. Alternatively, the Developer shall reimburse the Authority all necessary and reasonable costs incurred by the Authority during the permitting process.
 - b. The Authority will i) cooperate with the design of the location of the return pipe (aka, the “purple pipe”) and associated connection(s), ii) assist with the acquisition of necessary easements provided that the cost of all easements (including all reasonable costs of acquisition) shall be paid by the Developer, and iii) help expedite any necessary permits or permit modifications to the existing WWTP permit and cooperate with the permit application and submittal process as required by applicable state agencies.
 - c. Developer shall have access to 100% of the reuse water available from the Dahlgren WWTP. Should the parties mutually agree to make the reclaimed water lines available for additional non-residential third-party use, the Developer shall be reimbursed 100% of a fee charged by the County to such third party in an amount equal to such third party's proportionate share of the Project based on the capacity of the new utility lines allocated to such third party.
 - d. Developer shall be responsible for all costs associated with any required WWTP modifications or upgrades required for the reclaimed water line, and shall be responsible for the Authority’s ongoing maintenance costs associated with the operation of the return pipe, in accordance with the agreed terms as set

forth in the Water Agreement.

Section 3. Extension of Sanitary System Improvements.

1. The Developer will construct or cause the construction of a sanitary extension from the Project site to the existing King George Sanitary System, in a location to be approved by the Authority.
2. The Developer shall be responsible for all costs to construct any required sanitary lines and any required upgrades to existing sanitary systems deemed necessary to account for the Project's sanitary requirements.
3. Prior to the extension of the sanitary system as set forth in Section 3.1, the Developer shall be permitted to install low-pressure lines and/or a "drip system" or a pump and haul system if the same is approved by the Virginia Department of Health, to serve the Property.

The matters set forth in this MOU constitute an expression of the parties' mutual current intention and shall become binding upon the parties upon the execution and delivery of the Water Agreement as contemplated hereby having terms and conditions satisfactory to the parties to such agreement. Developer may assign this MOU to a third-party, at its discretion, upon prior notice to the County and Authority, and per written agreement by the County and the Authority, which authorization shall not be unreasonably withheld.

[Signature Page Follows]

Seen and Agreed:

**King George County Service
Authority**

Dahlgren Innovation Hub, LLC

By:

By: _____

Date: _____

Date: _____

Approved as to form:

Richard Stuart, Sr., County Attorney