

GRANT AGREEMENT

This Grant Agreement (the “**Agreement**”) made this ___ day of July 2022, by and among the COUNTY OF CHESTERFIELD, a political subdivision of the Commonwealth of Virginia (the “**County**”), the ECONOMIC DEVELOPMENT AUTHORITY OF THE COUNTY OF CHESTERFIELD, a political subdivision of the Commonwealth of Virginia (the “**EDA**”), and LAKE ADVENTURES, LLC, a Virginia limited liability company (“**Lake**”), recites and provides as follows:

Recitals

WHEREAS, Lake plans to cause the development, by Lake and its development partners, successors and assigns, of a mixed-use development on the property located in the County near the intersection of Genito Road and State Route 288 and more particularly defined on Exhibit A attached hereto (the “**Property**”), featuring two waterpark amenities, retail, recreational activities, office, hotel and multifamily units, with such development having a forecasted value of approximately Three Hundred Twenty-Three Million Dollars (\$323,000,000) (the “**Project**”); and

WHEREAS, the County has determined that locating and constructing the Project in Chesterfield County will provide significant economic benefits to Chesterfield County in terms of capital investment, employment and public entertainment opportunities; and

WHEREAS, in order to assist and promote the development of the Project in the County, the County and the EDA have agreed to make an economic development grant to Lake, through the EDA, subject to the terms of this Agreement (the “**Grant**”); and

WHEREAS, it is the desire of the parties to enter into this Agreement in order to set forth the understanding of the parties in connection with the Grant and the conditions thereof.

Agreement

NOW, THEREFORE, in consideration of the terms and provisions set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, it is agreed as follows:

1. Performance Obligations. In consideration of the Grant, Lake agrees for itself and its development partners, successors and assigns that the Project will be constructed on the Property (“**Performance Obligations**”) in accordance with County-issued permits and approvals for each portion thereof. The date which is the earlier of (i) thirty-six (36) full calendar months from the date Lake has received the Operation and Maintenance Certificate for Virginia Regulated Impounding Structures set forth in 4VAC50-20 as issued by the Virginia Department of Conservation and Recreation for the Main Lake portion of the Performance Obligations, and (ii) the date Lake issues notice to the EDA that Lake is ready to commence receipt of the Grant payments, shall be referred to hereinafter as the “**Performance Date**”.

2. Grant Terms. In consideration of and conditioned upon Lake’s performance provided herein, the County and the EDA agree to award the Grant to Lake in an amount calculated as follows:

(i) 80% of the increase in real estate, sales and occupancy taxes collected from any owner or lessee of the commercial and recreational portions of the Property within the Project (except for the two 300-unit mixed use multifamily buildings) over the Baseline Value (as defined below) for years 1-10 commencing upon the Performance Date;

(ii) 60% of the increase in real estate, sales and occupancy taxes collected from any owner or lessee of the commercial and recreational portions of the Property within the

Project (except for the two 300-unit mixed use multifamily buildings) over the Baseline Value for years 11-20 commencing upon the Performance Date; and

(iii) 40% of the increase in real estate, sales and occupancy taxes collected from any owner or lessee of the two 300-unit mixed use multifamily buildings over the Baseline Value for years 1-20 commencing upon the Performance Date.

The “**Baseline Value**” shall mean the amount of real estate and sales taxes collected from any owner or occupant of Property within the Project in 2022. The Grant will be paid annually after each Tax Period (defined below) commencing upon the Performance Date and continuing for each fiscal year thereafter until the Grant is paid in full. Such real estate tax amounts shall be verified by the Treasurer and Real Estate Assessor of the County. Sales and occupancy tax revenue attributable to the Project shall be verified by the Commonwealth of Virginia Department of Taxation or the Chesterfield County Commissioner of Revenue. Lake shall execute and/or secure from occupants of the Property authorizations or releases necessary for the EDA or County to access tax data from the Commonwealth of Virginia or County officials deemed reasonably necessary to confirm tax revenue generated by the Project. “**Tax Period**” means the twelve-month period for which tax revenues will be measured for a Grant payment. Each Grant payment shall be paid to Lake no later than sixty (60) days following completion of each Tax Period.

4. General Provisions.

(a) County's Right to Inspect. The County and/or EDA shall have the unlimited right to inspect the Project and have reasonable access to Lake’s records related to the operation and leasing of the Project which the EDA and/or County determine are necessary to verify compliance with this Agreement.

(b) Notices. All notices and other communications required or permitted hereunder shall be in writing and directed as follows:

If to the County, then to: Dr. Joseph Casey, Ph.D.
County Administrator
P.O. Box 40
Chesterfield, Virginia 23832

If to the EDA, then to: Chairman
Economic Development Authority
c/o Chesterfield County Department of
Economic Development
9401 Courthouse Road, Suite B
Chesterfield, Virginia 23832

and

Director of Economic Development
County of Chesterfield
9401 Courthouse Road, Suite B
Chesterfield, VA 23832

With a copy to: County Attorney
P. O. Box 40
Chesterfield, Virginia 23832-0040

If to Lake, then to: Lake Adventures, LLC
1512 Willow Lawn Dr. Suite 200
Richmond, VA 23239
Attn: Brett Burkhart

With a copy to: Peake Law Group, PC
14241 Midlothian Turnpike, Ste. 216
Midlothian, VA 23113
Attn: Tonia E. Peake, Esq.

All such notices and communications shall be effective upon receipt when (i) delivered by certified or registered mail, return receipt requested, and postage prepaid or (ii) delivered by deposit with a reputable overnight delivery service.

(c) Amendments. Neither this Agreement nor any term, covenant, or condition hereof may be modified or amended except by an agreement in writing, executed, and delivered by the parties hereto.

(d) Assignment.

(i) Lake may assign this Agreement or any portion thereof, or any funds due to it under this Agreement, including the receipt of the Grant or its rights thereto, only to (A) any wholly-owned subsidiary or affiliate of Lake or to any successor in interest with respect to fee simple title to the Project, or (B) any third-party lending institution or its affiliates financing the Project (the “**Bank**”), the EDA acknowledging that the Bank is making a loan to facilitate completion of the Project. The EDA and Lake agree that upon receipt of notice from the Bank that an event of default has occurred and is occurring under the loan instruments with the Bank for the financing of the Project, the EDA shall pay any Grant due and owing hereunder directly to or at the direction of the Bank rather than Lake. In the event of such assignment, Lake will remain ultimately responsible for the performance of its obligations under this Agreement, subject to the following subsection (ii) below. In the event of a foreclosure by the Bank under its deed of trust, the Bank shall have the right to advertise and sell the Project subject to the benefits and burdens of this Agreement and in such event, the purchaser at foreclosure shall be entitled to any unpaid portion of the Grant, provided such purchaser has completed the Project in accordance with the terms of this Agreement.

(ii) Upon any permitted assignment of this Agreement, the Bank or any other assignee of this Agreement has the right of third-party enforcement of Lake 's rights under this Agreement, and the Bank or other assignee of this Agreement may enforce Lake's rights pursuant to such permitted assignment with the same force and effect as if enforced by

Lake. Upon such assignment, the Bank or other assignee of this Agreement may, but shall not be required to, perform the obligations of Lake hereunder. If the Bank or other assignee of this Agreement undertakes in writing to perform the obligations of Lake after assignment of this Agreement, the EDA will accept its performance in lieu of performance by Lake in satisfaction of Lake 's obligations under this Agreement.

(e) Conditions Precedent. The obligations of Lake, the County, and the EDA under this Agreement are expressly conditioned upon approval of the County's Board of Supervisors and the appropriation by it of the necessary funds for the Grant. In the event the County and EDA do not secure sufficient appropriations for the EDA to fulfill its obligations hereunder as and when required, the time for payment shall be extend until such time if ever that the County makes such appropriate to the EDA for the purpose of making Grant payments hereunder.

(f) Joint Obligations. The provisions of this Agreement requiring two or more parties to take action together require the named parties, acting in good faith, to take all actions reasonably possible and within their power to accomplish the result indicated.

(g) Counterparts. This Agreement, which includes the Exhibit attached hereto and incorporated herein, may be executed in counterparts, and if executed in counterparts, each such counterpart shall constitute one and the same instrument. Signed counterparts of this Agreement exchanged by electronic mail or facsimile shall be effective as originals.

(h) Non-Waiver. No party hereto shall be deemed to have waived the exercise of any right hereunder unless such waiver is made expressly and in writing, and no such waiver of any such right in any one instance shall be deemed a waiver as to any other instance of any other right.

(i) Completeness; Modification. This Agreement constitutes the entire agreement between the parties with respect to the transactions contemplated hereby and supersedes all prior discussions, understandings, agreements, and negotiations between the parties. This Agreement may be modified only by a written instrument duly executed by the parties.

(j) Severability. If any term, covenant or condition of this Agreement, or the application thereof to any person or circumstance, shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant or condition to other persons or circumstances, shall not be affected thereby, and each term, covenant or condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

(k) No Partnership. This Agreement does not and shall not be construed to create a partnership, joint venture, or any other relationship between the parties hereto except the relationship specifically established hereby.

(l) Days. If any action is required to be performed, or if any notice, consent or other communication is given, on a day that is a Saturday or Sunday or a legal holiday in the jurisdiction in which the action is required to be performed or in which is located the intended recipient of such notice, consent or other communication, such performance shall be deemed to be required, and such notice, consent or other communication shall be deemed to be given, on the first business day following such Saturday, Sunday or legal holiday. Unless otherwise specified herein, all references herein to a “day” or “days” shall refer to calendar days and not business days.

(m) Applicable Law. This Agreement shall be subject to and interpreted in accordance with the laws of the Commonwealth of Virginia. Any action brought to enforce this Agreement shall be brought only in the Circuit Court for the County of Chesterfield, Virginia.

[Signatures appear on following page]

WITNESS the following signatures and seals.

LAKE ADVENTURES, LLC

By: _____
Name: _____
Title: _____
Date: _____

COUNTY OF CHESTERFIELD, VIRGINIA,
a political subdivision of the Commonwealth of
Virginia

By: _____
Name: _____
Title: _____
Date: _____

**ECONOMIC DEVELOPMENT AUTHORITY
OF THE COUNTY OF CHESTERFIELD,
VIRGINIA,**
a political subdivision of the Commonwealth of
Virginia

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT A

Description of Property

Parcel 1:

That certain lot, piece or parcel of land, lying and being in Chesterfield County, Virginia, known and designated as "New Total Area" and containing 31.712 acres, more or less, as shown on that certain plat entitled "Boundary Line Adjustment Plat Between GPIN: 7316-89-5633 and GPIN: 7316-90-4397, Properties of Lake Adventures, LLC c/o Brett Burkhardt, Cloverhill District, Chesterfield County, Virginia," dated May 20, 2020, made by Timmons Group, and duly recorded in the Clerk's Office, Circuit Court, Chesterfield County, Virginia, in Plat Book 283, page 7-8 (the "Plat").

Parcel 2:

That certain lot, piece or parcel of land, lying and being in Chesterfield County, Virginia, known and designated as "Remaining Area of GPIN: 7319-89-5633" and containing 15.641 acres, more or less, as shown on the Plat.

BEING a portion of the same real estate conveyed to Lake Adventures, LLC, a Virginia limited liability company by Deed from Waterford Park, LLC, a Virginia limited liability company dated May 8, 2019, recorded May 10, 2019 in the Clerk's Office of the Circuit Court of Chesterfield, Virginia, in Deed Book 12302, Page 90.

Parcel 3:

All that certain tract or parcel of land, with all improvements thereon and appurtenances thereto belonging, lying and being in the Clover Hill District, Chesterfield County, Virginia, containing 51.168 acres, more or less, and designated as "Parcel A1" as shown on a plat of survey by Burruss Land & Survey Company, entitled "Plat of four parcels of/and in the Clover Hill District of Chesterfield County, Virginia," dated January 7, 2002 a copy of which is recorded in the Clerk's Office, Circuit Court, Chesterfield County, Virginia, in Plat Book 123, Page 68, to which plat reference is hereby made for a more particular description of said real estate.

LESS AND EXCEPT that certain piece or parcel of land conveyed to County of Chesterfield, Virginia by Deed dated March 19, 2020, recorded May 11, 2020, in the Clerk's Office, Circuit Court, Chesterfield County, Virginia, in Deed Book 12142, Page 662.

Parcel 4:

All that certain lot, piece or parcel of land, lying, being and situated in Midlothian (now Clover Hill) District, Chesterfield County, Virginia, and shown and designated as "Parcel A" and containing 0.233 acre, more or less, as shown on plat of survey made by Burruss Land & Survey Company, dated November 14, 2002, entitled "Plat of Two Parcels of land in the Midlothian District of Chesterfield County, Virginia," a copy of which is recorded in the Clerk's Office, Circuit Court, Chesterfield County, Virginia, in Plat Book 130, Page 17, and to which plat reference is hereby made for a more particular description of the property.

LESS AND EXCEPT that certain piece or parcel of land conveyed to County of Chesterfield, Virginia by Deed dated March 19, 2020, recorded May 11, 2020, in the Clerk's Office, Circuit Court, Chesterfield County, Virginia, in Deed Book 12742, Page 662.

BEING a portion of the same real estate conveyed to Lake Adventures, LLC, a Virginia limited liability company by Deed from Sports Frog, LLC, a Virginia limited liability company dated May 8, 2019, recorded May 10, 2019 in the Clerk's Office of the Circuit Court of Chesterfield, Virginia, in Deed Book 12302, Page 86.