

PAYMENT IN LIEU OF TAX AGREEMENT

This Payment in Lieu of Tax Agreement (this “PILOT Agreement”) is entered into between the Town of Plymouth, a Massachusetts municipal corporation with its principal offices located at 26 Court Street, Plymouth, MA 02360, acting by and through its Board of Selectmen (the “Town” or “Plymouth”) and Holtec Pilgrim, LLC f/k/a Entergy Nuclear Generation Co. (“Holtec”), a Massachusetts limited liability company, having an address of 600 Rocky Hill Road, Plymouth, MA 02360 (together, the “Parties”) on this _7th day of November, 2023 (the “Effective Date”).

WHEREAS, Holtec owns and occupies property located at 600 Rocky Hill Road, Plymouth, which was formerly the Pilgrim Nuclear Power Station, a decommissioned nuclear power plant located in the Town (the “Former Power Station”); and

WHEREAS, Holtec is in the process of decommissioning the Former Power Station, a process which will likely extend through at least 2031; and

WHEREAS, Holtec and the Town desire to establish a fair and reasonable process by which to assess real and personal property taxes based on the fair cash value of the Former Power Station, which is identified in Exhibit 1; and

WHEREAS, Holtec and the Town acknowledge that the time required to fully and safely decommission a nuclear power plant is subject to uncertainty; and

WHEREAS, Holtec and the Town agree that having an accurate projection of their respective property tax expenses and revenues with respect to the Plant Property is in their mutual best interests; and

WHEREAS, Holtec and the Town desire to obtain the benefits of a settled relationship during the term of this PILOT Agreement; and

WHEREAS, Holtec and the Town acknowledge that a comprehensive PILOT Agreement fixing and maintaining mutually acceptable payments based on reasonable and accurate fair cash values for the Plant Property for Fiscal Years 2024 through 2031 is appropriate and serves their respective interests; and

WHEREAS, Holtec and the Town have reached this agreement as a result of good faith negotiations so that Holtec’s payments to the Town each year shall be the equivalent of the property tax obligations which would otherwise be owed to the Town by Holtec on full and fair cash valuation.

NOW, THEREFORE, Holtec and the Town stipulate and agree as follows:

1. Annual Payments. Holtec and the Town agree that the respective annual payments due for Fiscal Years 2024 through 2031 (“Annual Payments”) shall be made pursuant to the schedule set forth below. Holtec and the Town agree that taxes payable under this section (1) represent real and personal property taxes with respect to the Former Power Station imposed by the Town due for Fiscal Years 2024 through 2031, (2) represent the sole payments to be made by

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Holtec with respect to such taxes, and (3) shall be accepted by the Town in full satisfaction of such taxes. Consequently, all real and personal property taxes that would be due and payable but for this PILOT Agreement, shall be abated in respect of and during the Term.

Fiscal Year	Payment
2024	\$ 2,400,000
2025	\$ 2,150,000
2026	\$ 1,900,000
2027	\$ 1,650,000
2028	\$ 1,450,000
2029	\$1,250,000
2030	\$1,150,000
2031	\$1,050,000

Such amounts shall be paid on a quarterly basis and shall be delivered to the Town of Plymouth Tax Collector, 26 Court Street, Plymouth, MA, 02360.

1st Quarter due August 1st
2nd Quarter due November 1st
3rd Quarter due February 1st
4th Quarter due May 1st

2. Adjustments. Holtec and the Town agree that the Annual Payments may be adjusted prospectively to reflect additions, if any, to the real and personal property located at the Former Power Station. For purposes of making such adjustments, an “addition” shall be understood to mean the expenditure of funds to add to the structures and/or equipment at the Former Power Station in such a way as to increase the productive capacity of the Former Power Station, measured as net summer megawatt capacity, over the levels in effect at ISO-NE as of the close of the immediately prior year, or in such a way that otherwise increases the assessed value of the land. For these purposes, expenditures in the nature of fuel storage equipment, repairs, replacements or maintenance do not result in “additions.” In the case of a replacement which does not enhance the productive capacity of the Power Station, the replacement would not be reported as an addition. Should an addition occur, Holtec shall submit a proposed adjustment reflecting the net effect of the addition completed during the year and supported by the capacity value impact or effect on proposed value of the land of each material addition. Nothing in this paragraph shall be deemed to operate as an approval of any such addition on behalf of the Town or any of its Boards, Commissions, or officials.

3. Arbitration. In case of a disagreement about the adjustment to be made which the Parties cannot resolve, they will refer the matter for arbitration in accordance with the following rules:

- a) Either Party may commence arbitration by delivering to the other Party, by a means requiring a written acknowledgment of receipt, a request for arbitration which specifies the items to be resolved. Such a request shall be delivered on or before the third Monday in July.

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- b) There shall be a panel of three arbitrators who shall conduct hearings in the New England region unless the Parties mutually agree to a different location. Each Party shall select a member of the panel. These two members will select a third independent member to serve on the panel. Each member of the panel shall be experienced in the area of property valuation and in particular the valuation of property used for the generation of electricity or decommissioning and decommissioned electrical facilities. Selection shall be completed so as to follow the timetable set in subparagraph (c) below.
- c) The arbitration hearing shall commence not later than August 1 and shall proceed from day to day, consecutively, for no more than three hearing days. The panel shall issue its decision on or before September 1 of that year. Except insofar as the scheduling provisions of this paragraph 3 supersede them, the Commercial Arbitration Rules of the American Arbitration Association then in effect shall govern the arbitration proceedings.
- d) In the event of arbitration, Holtec shall provide the Town an opportunity to audit and inspect Holtec's records with respect to the specific factual matters in dispute in the arbitration proceeding. The scope of such audits shall be limited to reviewing information that is reasonably necessary to ascertain the accuracy of the information provided or omitted by Holtec in its proposed adjustment. Such records shall be made available for inspection upon seven (7) days prior notice during normal business hours at the Former Power Station and in such manner as to not unreasonably interfere with Holtec's normal business activities. If such records are not kept at the Former Power Station, Holtec shall make copies available to the Town at the Former Power Station within seven (7) business days of the request. Any information provided to the Town as part of an audit shall be treated as confidential unless in violation of applicable law.
- e) The decision of the arbitration panel shall be binding on both Parties; and there shall be no further judicial review of that decision.
- f) The Parties shall share the costs incurred by the arbitration panel equally and shall also pay their own expenses in connection with the arbitration, including but not limited to expert witness expenses and attorney fees.

4. Late Payments. In accordance with G.L. c. 59, § 57, the Town may assess penalties for late payments of Annual Payments due under this PILOT Agreement. The Town expressly reserves all rights available to it concerning the collection of such Annual Payments. Late payment shall be deemed to be an event of default under this PILOT Agreement. In the event a payment is not timely received by the Town, the Town shall issue a notice of default to Holtec and Holtec shall have fourteen (14) days within which to cure such default, subject to any penalties under G.L. c. 59, § 57. If Holtec fails to timely cure the default, the Town may declare this PILOT Agreement null and void as of the tax year which follows the billing cycle in which the breach occurred.

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5. Exemptions and Abatements. Nothing in this PILOT Agreement shall prohibit Holtec or its successors or assigns from filing an application or applications with the Massachusetts Department of Environmental Protection ("MassDEP") for property tax exemption certification pursuant to G.L. c. 59, § 5(44) for existing or new pollution control equipment at the Former Power Station. However, during the period that this PILOT Agreement is in force and effect, the Annual Payments shall not be reduced as a result of existing or new pollution control equipment being certified by MassDEP for exemption from property tax. During the period that this PILOT Agreement is in force and effect, Holtec or its successors or assigns shall provide the Town with a copy of each application it files with MassDEP for property tax exemption certification under G.L. c. 59, § 5(44) within five (5) business days of filing. Nothing in this PILOT Agreement shall prohibit the Town from objecting to and protesting any such application or applications by Holtec or its successors or assigns.

6. Mutual Benefits. The Parties acknowledge that this PILOT Agreement is fair and beneficial to them because it resolves all tax issues between them, including any litigation which might otherwise ensue concerning Fiscal Years 2024 through 2031, with resulting substantial costs. Moreover, both Parties value the tax and economic stability achieved by this PILOT Agreement at a time of uncertainty as to the fair cash value of property in the process of being decommissioned.

7. Benefits to the Town. The Town acknowledges that this PILOT Agreement is beneficial to it because it will result in steady, predictable, and reasonable Annual Payments from Holtec.

8. Benefits to Holtec. Holtec acknowledges that this PILOT Agreement is beneficial to it because it provides predictability and certainty with respect to the Annual Payments due to the Town for Fiscal Years 2024 through 2031.

9. No Precedent. This PILOT Agreement is entered into in good faith to resolve future disputes and to achieve predictability and economic stability for both Parties by establishing a schedule of Annual Payments based on reasonable, accurate, and reliable fair cash values for the Former Power Station for Fiscal Years 2024 through 2031. Accordingly, Holtec and the Town agree that neither Party shall seek to use the Annual Payments agreed to under this PILOT Agreement in any future proceedings regarding the value of the Property in the Town or in any other proceeding regarding the value of any other Holtec property.

10. Advice of Counsel. The Parties have entered into this PILOT Agreement only after full and due consideration thereof and with the advice of their counsel and of their independent consultants.

11. Good Faith Implementation. Holtec, on behalf of itself and any successors to or assigns of its interest in the Former Power Station, and the Town agree to act in good faith, each to the other, to carry out this PILOT Agreement and shall endeavor to resolve amicably any disputes or disagreements which may arise hereunder.

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12. Conditions Precedent. The obligations of the Parties under this PILOT Agreement are conditioned on (i) approval of the PILOT Agreement by the Town of Plymouth acting by a vote of its Town Meeting, and (ii) the Town promptly submitting this PILOT Agreement to the Massachusetts Department of Revenue ("DOR") and DOR having no objection within the thirty (30) day review period. If DOR objects to the PILOT Agreement or the PILOT Agreement is not approved by the end of Town Meeting commencing on October 21, 2023, the PILOT Agreement shall become null and void and of no further effect unless otherwise agreed by the Parties in writing.

13. Change in Law. Holtec and the Town hereby stipulate and agree that no portion of this PILOT Agreement shall be enforceable, and the PILOT Agreement shall terminate if any material portion of this PILOT Agreement is determined or declared to be illegal, void, or unenforceable.

14. Renegotiation Obligations. Holtec and the Town agree that in the event this PILOT Agreement terminates pursuant to the provisions of Paragraph 12 of this PILOT Agreement, and that such event does not occur through the direct fault of either Party, that the Parties will in good faith attempt to negotiate a new agreement which will seek to accomplish and implement the objectives and purposes of this PILOT Agreement for the same period of time as is addressed by this PILOT Agreement.

15. Holtec's Representations and Warranties. Holtec hereby makes the following representations and warranties to the Town:

- a) Holtec is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Massachusetts and has the full corporate power and authority to carry on its business as it is now being conducted.
- b) This PILOT Agreement constitutes the legal, valid and binding obligation of Holtec enforceable in accordance with its terms, except to the extent that the enforceability may be limited by applicable bankruptcy, insolvency or other laws affecting other enforcement of creditors' rights generally or by general equitable principles. Holtec has taken all necessary corporate action to authorize and approve the execution and delivery of this PILOT Agreement.
- c) None of the documents or information furnished by or on behalf of Holtec to the Town in connection with negotiation and execution of this PILOT Agreement contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements contained herein or therein, in the light of the circumstances in which they were made, not misleading.
- d) The person executing this PILOT Agreement on behalf of Holtec has the full power and authority to bind it to each and every provision of this PILOT Agreement.

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16. Town's Representations and Warranties. The Town hereby makes the following representations and warranties to Holtec:

- a) The Town is a municipal corporation and body politic of the Commonwealth of Massachusetts.
- b) Subject to satisfaction of the conditions precedent in Paragraph 12, this PILOT Agreement constitutes the legal, valid and binding obligation of the Town enforceable in accordance with its terms. The Town will take all necessary action to authorize and approve the execution and delivery of this PILOT Agreement.

17. Right of First Refusal and the Town's Credit. Pursuant to M.G.L. Chapter 61 and Chapter 61A, the Town holds a statutory Right of First Refusal ("ROFR") on certain parcels of land owned by Holtec, which constitute 1,530.31 acres (the "Forestry Land") and are described as "Certified Areas" on Exhibit 2. The land subject to the ROFR expressly excludes the 146.34 acres consisting of the Former Power Station and other non- Chapter 61/61A property described as "Excluded Areas" on Exhibit 2.

Under the relevant statutes, the Town has a period of 120 days (the "ROFR Period") after being given notice of Holtec's intent to sell any of the Forestry Land (the "Offered Premises") to meet a bona fide offer to purchase the Offered Premises. By way of this PILOT Agreement, the parties agree to expand the ROFR Period to a total period of one hundred eighty (180) days (the "Extended ROFR Period"). Should the Town meet the terms of the bona fide offer for the Offered Premises within the Extended ROFR Period, the Parties shall have ninety (90) days thereafter as permitted by Chapter 61 or Chapter 61A, as applicable, to close on the Offered Premises. In addition, the Parties agree that the ROFR and the Extended ROFR Period for the Forestry Land shall be binding upon the Parties and their successors and assigns in contract for the term of this PILOT Agreement, regardless of the continued applicability of Chapters 61 or 61A to the Forestry Land. For the avoidance of doubt, any repayment of rollback taxes under Chapters 61 or 61A by Holtec shall not interfere with the Town's ROFR on the Forestry Land and such ROFR shall remain in effect for the benefit of the Town. In addition, the parties acknowledge and agree that the Town shall be deemed to have met a bona fide offer if it provides notice in accordance with the applicable statute that includes a purchase price that meets or exceeds the purchase price in the bona fide offer, even if other terms of the Town's offer are not identical to those in the bona fide offer.

The Parties further acknowledge and agree that the Town shall be entitled to a credit in the amount of Three Million Dollars (\$3,000,000.00) (the "Town's Credit"), which may be used as a credit towards any deposits or the purchase price of any Offered Premises at the Town's election. The Town may elect, in its sole and absolute discretion, to apply all or a portion of the Town's Credit to the purchase of any Offered Premises.

18. Master Plan. The Town intends to engage in a master planning process for the Former Power Station and the Forestry Land which is anticipated to be complete no later than December 2026. Holtec agrees to support the master planning process by making non-privileged

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or proprietary information about the property available to the Town and its consultants, including without limitation environmental testing reports, and geological and engineering studies.

19. Notices. Unless expressly provided otherwise in this PILOT Agreement, any notice required or permitted to be given or served by a Party shall be deemed received only when made in writing, and either: (a) personally delivered, (b) actually received, if deposited with the United States Postal Service, postage prepaid, by registered or certified mail, return receipt requested, or (c) delivered by a nationally recognized overnight delivery service providing proof of delivery, properly addressed to the addresses set forth below (as the same may be changed by giving written notice). If any notice mailed is properly addressed with appropriate postage but returned for any reason, such notice shall be deemed to be effective notice and to be given on the day following the date of mailing. Any notice required or permitted to be given or served by a Party may be given by an agent, law firm or attorney acting on behalf of the Party giving the notice.

Notices to Holtec shall be addressed as follows:

Holtec International
1 Holtec Blvd.
Camden, NJ 08104

With a copy to:

Legal Counsel

William F. Gill IV
1 Holtec Blvd.
Camden, NJ 08104
w.gill@holtec.com
legal@holtec.com

Notices to the Town shall be addressed as follows:

Town Manager
Town Hall
26 Court Street
Plymouth, MA 02360

With a copy to:

Board of Assessors
Town Hall
26 Court Street
Plymouth, MA 02360

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20. Amendments. No amendment to this PILOT Agreement shall be effective until reduced to writing and executed and delivered by the Town and Holtec.

21. Counterparts. This PILOT Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which taken together shall constitute one and the same instrument.

22. Waivers. No waiver by either Party hereto of any one or more defaults by the other Party in the performance of any provision of this PILOT Agreement shall operate or be construed as a waiver of any future default, whether of like or different character. No failure on the part of either Party hereto to complain of any action or non-action on the part of the other Party, no matter how long the same may continue, shall be deemed to be a waiver of any right hereunder by the Party so failing. A waiver of any of the provisions of this PILOT Agreement shall only be effective if made in writing and signed by the Party who is mailing such waiver.

23. Construction. The Parties agree that they have shared equally in the drafting of this PILOT Agreement, and, therefore, neither shall be treated as the drafter for purposes of the application of any rule of strict construction.

24. Complete Agreement. This PILOT Agreement is a full, final and complete expression of the Parties' agreement on all real and personal property tax issues respecting all of Holtec's property identified in Exhibit 1 in the Town for the fiscal years and in the manner stated herein.

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To evidence the Parties' agreement to this Agreement, they have executed and delivered it on the date set forth in the preamble to this Agreement.

TOWN:

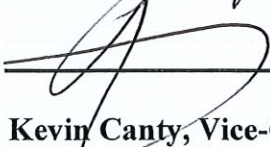
HOLTEC:


TOWN OF PLYMOUTH


By and Through the Select Board


Richard J. Quintel, Chair

[]


Kevin Canty, Vice-Chair


Charlie Bletzer


Harry Helm

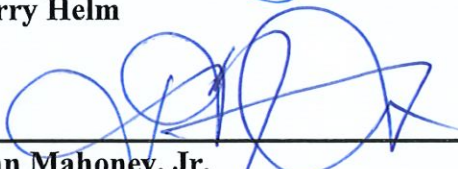

John Mahoney, Jr.

Exhibit 1

That certain parcel of land situated in the Town of Plymouth, shown as Lot 1B on Map 44 of the Assessors Maps, containing 133.57 acres; together with all buildings, structures, fixtures and other improvements, above or below ground, now located on or in the premises. The property described in this exhibit shall include neither (1) those easements reserved by Boston Edison Company as described in a deed to Entergy Nuclear Generation Company recorded at Plymouth County Registry of Deeds at Book 17658, page 265; nor (2) any property, equipment or fixtures of whatever nature presently or hereafter erected or maintained by Boston Edison Company within such easements.

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EXHIBIT 2

Forest Management Plan Chapter 61 and 61a

Address	Parcel ID	Assessors' Map Number	Lot/Parcel Number	Lot Name	Total Acres	Excluded Acres NON Chapter 61/61a	Certified Acres	Stewardship Acres	Notes for Excluded Acres
159 Rocky Hill Road	043-000-011-000	43	11*	Talcott	196.33	0.23	196.1	196.1	Storm Water Retention
State Road	043-000-011D-000	43	11D	Gallitano	41	0	41	41	
State Road	043-000-011E-000	43	11E	Byrne	92.8	0	92.8	92.8	
189 Rocky Hill Road	043-000B-124-000	43	B124	Byrne	0.33	0	0.33	0.33	
680 Rocky Hill Road	044-000-001A-000	44	1A	Greenwood	9.45	1	8.45	8.45	Open shoreline along Cape Cod Bay
600 Rocky Hill Road	044-000-001B-000	44	1B	Pilgrim Station	133.57	133.57	0	0	Nuclear Plant Site
Rocky Hill Road	044-000-002-000	44	2	Greenwood	86.68	0.73	85.95	85.95	Powerhouse Road
769 Rocky Hill Road	044-006-525-000	44	6-525	McIntosh	287.06	9.12	277.94	277.94	Powerhouse Road/Baseball Field (Leased to Town)
379 State Road	044-006-527-000	44	6-527	McIntosh	41.06	1	40.06	40.06	Microwave Tower
423 State Road	044-000-013-000	44	13	Skulsky	20.95	0.69	20.26	20.26	Powerhouse Road
State Road	044-000-027-000	44	27	Gallitano	5.36	0	5.36	5.36	
State Road	076-000-003-000	76	3	Churchill- Skulsky	21.88	0	21.88	21.88	
State Road	076-000-004-000	76	4	Howland	25.16	0	25.16	25.16	
State Road	076-000-005-000	76	5	Howland	35.02	0	35.02	35.02	
427 State Road	094-000-001-000	94	1	Howland	572.61	0	572.61	572.61	
Pine Hills	094-000-002-000	94	2	Hussey	68.38	0	68.38	68.38	
Pine Hills	094-000-003-000	94	3	Howland	39.01	0	39.01	39.01	
					1876.65	146.34	1530.31	1530.31	

Acres are subject to changed based on minor subdivision or final site plans.