PECOS COUNTY, TEXAS

Amended and Restated Economic Development Program Agreement

This Amended and Restated Economic Development Program Agreement *("**Agreement**")* is entered into this 22 day of January, 2024, by and between PECOS COUNTY, Texas, a Texas political subdivision *("**County**")*, and Lancium, LLC, a Delaware limited liability company, and its assigns pursuant to Section 20 hereunder (hereby collectively referred to as *"**Lancium LLC**")*.

WHEREAS, the County is governed by the County Commissioners Court, comprised of the County Judge and four County Commissioners; and

WHEREAS, the purpose of this Agreement is to promote economic development as contemplated by Chapter 381 of the Texas Local Government Code, whereby Lancium LLC has constructed, developed and operates a data center containing industrial electrical services equipment and data servers (collectively, the "***Project***" or the "***Improvements***") in conformance with the County's development approvals for the Project (for the avoidance of doubt, the terms "***Project***" and "***Improvements***" herein shall refer only to improvements constructed as of the date of this Agreement, and not to subsequently constructed improvements); and

WHEREAS, pursuant to that certain Economic Development Program Agreement by and between the County and Lancium, LLC, dated September 7, 2021 (the "2021 Agreement"), the County Commissioners Court established an economic development program under TEX. LOC. GOV'T CODE § 381.004, and entered into a property tax incentive agreement with Lancium LLC in recognition of the positive economic benefits to the County through Lancium LLC 's development of facilities on and within the County; and

WHEREAS, the County and Lancium LLC wish to amend and restate the 2021 Agreement to describe the Project (as defined above), which was constructed on approximately 10 acres of land, as more fully described on the attached **Exhibit A** *("**Property**")*, set forth the amount of investment for the Project, and reauthorize the County Commissioners Court to make grants of public money pursuant to TEX. LOC. GOV'T CODE Section 381.004 in recognition of the positive economic benefits to the County of the Project; and

WHEREAS, as part of its development of the Project and in reliance upon the 2021 Agreement, Lancium LLC invested approximately $30,000,000 in improvements to real property and additions to personal property in connection with the Project (collectively included in the "***Improvements***") in the County; and

WHEREAS, in reliance upon the 2021 Agreement, Lancium I.LC has hired and intends to maintain at least 15 new full-time and/or full-time equivalent employees ("***FTEs***") for the Project over the term of this Agreement, thereby resulting in an increase in the County's workforce; and

WHEREAS, Lancium LLC confirms that the County's grants provided for herein are expressly conditioned on their compliance with the capital investment and job creation obligations set forth herein; and

WHEREAS, Lancium LLC will continue to be a substantial tax revenue contributor following the grants hereunder; and

WHEREAS, Lancium LLC's substantial reinvestment has occurred over the Grant Period (as defined herein below); and

WHEREAS, Lancium LLC's Facility will bring additional economic development opportunities to the County; and

NOW, THEREFORE, in consideration of the mutual benefits and promises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the County and Lancium LLC agree as follows:

1. **Authority**. The County's execution of this Agreement is authorized by Chapter 381 of the Texas Local Government Code and constitutes a valid and binding obligation of the County in the event Lancium LLC complies with its obligations as set forth herein. The County acknowledges that Lancium LLC has acted in reliance upon the 2021 Agreement and the County's performance of its obligations hereunder in making its decision to commit substantial resources and money to develop, operate and maintain the Project.

2. **Definitions**

(a) *"Grants"* means economic development grants computed based on a percentage of ad valorem taxes on the Property, the Project, and Personal Property in the Reinvestment Zone, as more particularly set forth in **Section 5**.

(b) *"Grant Period"* means the period of time beginning January 1, 2024 and continuing for eighteen (18) years, ending on December 31, 2041.

(c) *"Grant Assessed Value"* means , for each year of the Grant Period, the assessed value of the Project, Property, and Personal Property as of January 1 of such years, as determined annually by the Pecos Central Appraisal District on behalf of the County less the amount of the assessed value of the Project, Property, and Personal Property as of the January 1, 2021 appraisal date.

(d) *"County Guidelines"* means any guidelines for administering economic development programs as have been established by the County.

(e) *"Effective Date"* is the date this Agreement is executed to be effective by the County and Lancium LLC.

(f) *"Force Majeure"* means any of the following: (1) expropriation, confiscation, condemnation, embargo, or requisitioning of facilities or other delays in construction of the Project due to the acts of the County or any other federal, state, local or quasi-governmental agency having jurisdiction over the Project : (2) acts of declared or undeclared war or the public enemy, terrorism or sabotage; (3) public disorders or civil disturbances; (4) casualties not the fault of Lancium LI,C, including global pandemics such as COV1D-19; (5) Acts of God (i.e., fire, tornado, hurricane, earthquake, flood and similar casualties, and unusual and severe weather conditions of a type not

normally experienced in the locale of the Project, and other conditions that are beyond the control of either party); (6) labor strikes, work stoppages or other similar labor troubles, except to the extent caused by acts of Lancium LLC in breach of obligations under applicable labor agreements; and (7) shortages (not the fault of Lancium LLC) of materials or equipment, fuel, steam, water or electricity, or industry-wide unavailability of labor in the County within a particular trade.

(g) *"**Personal Property**"* means all equipment, supplies, machinery, furniture, furnishings, fixtures, computers, electronics and other tangible personal property owned by Lancium LLC located on or used in connection with the Project.

(h) *"**Program**"* means the economic development program established by the County pursuant to Chapter 381 of the Texas Local Government Code to promote local economic development and stimulate business and commercial activity within the County.

(i) *"**Property**"* means the approximately 10 acres of land located in the County, as more fully described on **Exhibit A** hereto, on which the Project was developed and continues to be operated and maintained.

(j) *"**Recapture Liability**"* means the total amount of all Grants as result of this Agreement that are subject to recapture by the County from Lancium LLC in the event of a Lancium LLC default.

(k) *"**Reinvestment Zone**"* means the Lancium Clean Campus Reinvestment Zone established by the City of Fort Stockton.

3. **Term**. This Agreement shall become enforceable upon its Effective Date. Unless earlier terminated pursuant to the terms of this Agreement, this Agreement will terminate following the payment of the Grant payable for the final year of the Grant Period..

4. **Rights and Obligations of Lancium LLC**. In consideration of the County's compliance with this Agreement, Lancium LLC agrees as follows:

(a) **Compliance with Development Regulations and Other Ordinances**. Lancium LLC, in reliance upon the 2021 Agreement, has complied with the County's development approval processes and has developed the Project on the Property in compliance with County ordinances, development regulations, and other applicable County development requirements.

(b) **Improvements and Additions to Real and Personal Property**. Lancium LLC, in connection with its development of the Project and in reliance upon the 2021 Agreement, has spent a cumulative total of approximately thirty million dollars ($30,000,000) in Improvements within the County as of the Effective Date.

(c) **Provision of Jobs**. In reliance upon the 2021 Agreement, Lancium LLC has employed in the Project as of the Effective Date at least 15 full-time employees and/or FTEs, and agrees to retain said employees and/or FTEs (or their replacements) for the full term of this Agreement. For the avoidance of doubt, hours worked by full-time employees can be counted towards FTEs.

(d) **Salaries and Benefits**. Lancium LLC agrees that the full-time jobs will have an average annual salary of at least $67,000, subject to customary withholding and other required deductions, plus applicable benefits.

(e) **Job Compliance Affidavit**. Lancium LLC agrees to provide to the County an annual Job Compliance Affidavit for each calendar year during the term of this Agreement. The County shall have the right, following reasonable advance written notice to Lancium LLC, to audit Lancium LLC's records at the County's sole cost and expense, to verify that this obligation has been satisfied.

Lancium LLC Accounting. Lancium LLC shall maintain complete books and records showing its compliance with its obligations hereunder, which books and records shall be deemed complete if kept in accordance with generally acceptable accounting principles as applied to business entities under the Texas Business Organizations Code, Such books and records shall be available for examination by the duly authorized officers or agents of the County during normal business hours upon request made not less than ten (10) business days prior to the date of such examination. Lancium LLC shall maintain such books and records throughout the term of this Agreement and for four (4) years thereafter.

(f) **Submission of Data**. Within sixty (60) days following the end of each calendar year of the Grant Period, Lancium LLC shall submit to the County the Job Compliance Affidavit and a schedule detailing the ad valorem property tax paid on the Grant Assessed Value for such calendar year. As backup for the schedule, Lancium LLC shall submit the following:

(i) A copy of all property tax receipts for the Project, including amended reports, filed by Lancium LLC for that calendar year showing the ad valorem property tax paid;

(ii) Such other data as the parties mutually determine reasonably appropriate to evidence the ad valorem property tax paid on the Grant Assessed Value.

(g) **Payment in Lieu of Tax for 2023 Tax Year**. The Parties recognize that pursuant to the 2021 Agreement, the County granted Lancium LLC an abatement of tax for the 2023 tax year on the Project, Property, and Personal Property constituting Pecos County Appraisal District property tax accounts 5351705 and 11079, as well as on real and personal property constituting Pecos County Appraisal District property tax accounts 5351783 and 48196 (which property is not included in the Project, Property, and Personal Property), which abatement shall remain in full force and effect under this Agreement for such tax year. In consideration of such abatement, Lancium LLC shall pay the County a payment in lieu of tax with respect to the 2023 tax year only in the amount of one hundred ninety thousand one hundred seventy dollars ($190,170), such payment to be made no later than January 31, 2024. Such payment shall constitute Lancium's sole liability to the County with respect to such property under the 2021 Agreement with respect to the 2023 tax year, superseding any other liability thereunder with respect to such property for such tax year.

5. **Grant Amounts**.

(a) In consideration of Lancium LLC's reliance upon the 2021 Agreement in expending approximately thirty million dollars ($30,000,000) on the Improvements, and

substantially completing the Improvements in compliance with County requirements, and subject to Lancium LLC's satisfaction of all other terms and conditions contained herein, the County hereby agrees to pay Lancium LLC a Grant for each year of the Grant Period equal to the amount of County ad valorem property tax paid by Lancium LLC on the Grant Assessed Value for such year, less thirty five thousand dollars ($35,000).

(b) For purposes of the preceding computation of the Grant amount, all categories of ad valorem property taxes paid by Lancium LLC to the County on the Grant Assessed Value shall be taken into account (including Maintenance & Operations (M&O), Interest and Sinking funds (I&S), and any Lateral Road or special tax authorized by the Texas Constitution and in effect in the County at the time of the payment of such tax).

6. **Grant Payments.** Each Grant required by this Agreement must be paid to Lancium LLC not later than forty-five (45) days following Lancium LLC's submission of the material required by Section 4(f) with respect to the year for which the Grant is payable.

7. **Term of Grant**. Lancium LLC shall receive the Grant during the Grant Period.

8. **Taxable Property**. During the Grant Period, ad valorem taxes shall be fully payable on the Project, Property, and Personal Property.

9. **Covenants**.

(a) Lancium LLC's Covenant. In consideration of the County's agreement to enter into this Agreement, Lancium LLC covenants and agrees that it will maintain 15 jobs or FTE as required by Section 4(c) (and subject to Section 6(b) and to events caused by Force Majeure). The failure of Lancium LLC to maintain fifteen (15) jobs or FTEs at the Project shall not be considered an event of default as defined in **Section 10** below, unless the jobs actually maintained average less than thirteen (13), as reported in accordance with **Section 4(e)**.

(b) Local Spending Covenant. Lancium LLC agrees it will use commercially reasonable efforts to use qualified contractors and vendors located in the County for the operation and maintenance of the Project, subject to and in compliance with Lancium LLC's internal procurement policies and procedures. However, Lancium LLC will not be required to use goods and services provided by local contractors or vendors where (i) such local goods or services are not comparable in quality to those provided by nonresidents or (ii) such goods and services are not available on terms and conditions (including price and bonding capacity) comparable to those offered by nonresidents, or (iii) certain good and services must be obtained from vendors having certain qualifications or approvals to construct and install equipment to the Improvements. In determining whether a particular contractor, subcontractor, or service provider is qualified, Lancium LLC may consider: (1) such person or firm's bonding capacity, (ii) financial and staffing capacity to carry out the work, (iii) expertise and experience, (iv) the requirements of any manufacturer with respect to the particular aspect of the work for which the person or firm is being considered, and (v) integrity, responsibility and reliability. Lancium LLC agrees to designate a coordinator of local services who will act as a liaison between any individuals, businesses or contractors residing or doing business in the County who are interested in obtaining information

about providing goods or services related to the operation and maintenance of the Improvements. Additionally, Lancium LLC agrees to do the following:

(c) Not later than one month prior to filling a full-time position (excepting internal transfer and promotions) for the on-site operation of the Facilities. Lancium LLC shall publish notice of the position in the local newspaper describing the position and the procedure for application. Any position requiring more than 35 hours per week shall be considered full time.

(d) Breach of Covenants. Lancium LLC acknowledges that the County's obligations hereunder are conditioned upon Lancium LLC's compliance with its covenants under this Section 9.

10. **Default.**

(a) **Lancium LLC's Default**. In the event that (a) Lancium LLC allows its ad valorem taxes to the County to become delinquent and fails to timely and properly follow the legal procedures for its protest and/or contest; or (b) Lancium LLC violates any of the material terms and conditions of this Agreement, including, without limitation, any of the covenants described in **Section 9(a)** above, Lancium LLC shall be considered in default. In the event that Lancium LLC defaults under this Agreement, the County shall give Lancium LLC written notice specifying such default. If Lancium LLC has not cured the default within sixty (60) days after its receipt of such written notice, the County may, as its sole and exclusive remedies hereunder, (i) terminate this Agreement by given written notice thereof to Lancium LLC, (ii) exercise its rights under **Section 11** below, and (iii) pursue any of its remedies for the collection of delinquent property taxes as provided generally in the Texas Tax Code; provided that the period for curing a default hereunder shall toll, and shall not be considered for any purpose as having run, beginning upon the day Lancium LLC files a petition in district court in Pecos County, Texas to determine whether a default has in fact occurred under this Agreement and/or to determine whether any attempt to cure has been sufficient, and ending upon the issuance of a final court decision or other final resolution of such court proceeding.

11. **Grant Recapture**. In the event the County terminates this Agreement as a result of Lancium LLC default, the Grant for the year in which the termination occurs will be cancelled, and in addition, the County may recapture and collect from Lancium LLC their Recapture Liability within sixty (60) days after the date of termination, subject to any and all lawful offsets, settlements, deduction, or credits to which Lancium LLC may be entitled. Lancium LLC Recapture Liability hereunder shall not exceed any Grants which were paid with regard to the Property pursuant to this Agreement during the immediately preceding calendar year. Such Recapture Liability shall be the County's sole and exclusive remedy in the event of a default and termination hereunder.

12. **Certification and Inspections**. No later than March 1 of each year of the Grant Period, Lancium LLC must certify in writing to the County that it is in compliance with each applicable term of this Agreement and the County Guidelines and, if not in compliance, the steps Lancium LLC intends to take to be in compliance or a statement from Lancium LLC explaining in reasonable detail why compliance cannot be achieved. Lancium LLC agrees that County, their agents and employees, shall, upon reasonable role have reasonable right of access to the Project in

order to ensure that the Project is in accordance with this Agreement and all applicable state and local laws and regulations, or valid waiver thereof. All inspections will be made with one or more representatives of Lancium LLC and in accordance with Lancium LLC security and safety requirements. At the time of annual certification, upon the County's written request, Lancium LLC shall also provide a calculation of the aggregate amount of economic benefit Lancium LLC has previously received pursuant to this Agreement. In order to efficiently administer the Grant, Lancium LLC agrees also to provide annually a timely rendition as required by the Texas Tax Code of personal property located on the Property and in the Project to the Pecos Central Appraisal District and to comply with any other legal requirements relating to the assessment of the assets for tax purposes, including any information required by the County Guidelines.

Each tax year, the County will endeavor to send Lancium LLC a reminder of its obligation under this Section 12. However, the failure of the County to do so shall not relieve Lancium LLC of its obligations hereunder.

13. **Notice**. All notices and other communications hereunder shall be in writing (whether or not a writing is expressly required hereby), and shall be deemed to have been given and become effective (a) if given by either party or its counsel via an express mail service or via courier, then if and when delivered to and received (or refused) by the respective parties at the below addresses (or at such other address as a party may hereafter designate for itself by notice to the other party as required hereby), or (b) if sent via certified mail by either party or its counsel, then on the third business day following the date on which such communication is deposited in the United States mails, by first class certified mail, return receipt requested, postage prepaid, and addressed to the respective parties at the below addresses (or at such other address as a party may hereafter designate for itself by notice to the other party as required hereby). Copies of notices to Lancium LLC shall be sent via email to the email address below. Any notice provided for under the terms of this Agreement by either party to the other shall be in writing and may be effected by registered or certified mail, return receipt requested.

If to County: Pecos County Judge
103 W Callaghan St.
Fort Stockton, TX 79735
(432) 336-3281

If to Lancium: Jennifer Kennedy
9950 Woodloch Forest Dr, Ste 1600
The Woodlands, TX 77380
(833) 526-2486
Legal@Lancium.com
Tax@Lancium.com

14. **Applicable Law**. This Agreement is made and shall be construed and interpreted under the laws of the State of Texas and shall be performable in Pecos County.

15. **No Liability**. It is understood and agreed between the parties that (except to the extent this Agreement is assigned pursuant to Section 20 hereunder) Lancium LLC, in performing

their obligations hereunder, is acting independently, and the County assumes no responsibility or liability to third parties in connection therewith. It is further understood and agreed among the parties that the County in performing its obligations hereunder, is acting independently and Lancium LLC assumes no responsibility or liability to third parties in connection therewith.

16. **Estoppel Certificate**. Any party hereto may request an estoppel certificate from another party hereto so long as the certificate is requested in connection with a bona fide business purpose and requests commercially reasonable certifications. Each party agrees to promptly execute and deliver any estoppel certificate reasonably requested pursuant to this Section 16. The certificate, which will upon request be addressed to Lancium LLC, or a lessee, purchaser or assignee of Lancium LLC, shall include, but not necessarily be limited to, statements (qualified to the best knowledge of the party providing the estoppel) that this Agreement is in full force and effect without default (or if a default exists, the nature of such default and any curative action which should be undertaken to cure same), the remaining term of this Agreement, and such other matters reasonably requested by the party(ies) to receive the certificate.

17. **Force Majeure**, Whenever a period of time is prescribed for the taking of an action by Lancium LLC, the period of time for the performance of such action shall be extended by the number of days that the performance is actually delayed due to events of Force Majeure. However, events of Force Majeure shall not extend any period of time for the payment of sums payable by Lancium LLC.

18. **Entire Agreement**. This Agreement embodies the complete agreement of the parties hereto, superseding and terminating all oral or written previous and contemporary agreements between the parties and relating to matters in this Agreement (and specifically superseding and terminating any commitments and payments required under the 2021 Agreement, including with respect to the 2023 and 2024 tax years), and except as otherwise provided herein cannot be modified, amended, altered or revoked without written agreement of the parties hereto.

19. **Recordation of Agreement**. A certified copy of this Agreement or a memorandum summarizing this Agreement, in recordable form may be recorded in the Deed of Records of Pecos County, Texas.

20. **Successors and Assigns**. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Lancium LLC may assign in whole or in part its rights and/or obligations under this Agreement or with respect to all or any part of the Project, Property, or Personal Property to (i) any direct or indirect parent, subsidiary, related company, partnership, or joint venture that controls, is controlled by, or is under common control with Lancium LLC; (ii) a third party lender advancing funds for the acquisition, construction, or operation of all or any part of the Project, Property, or Personal Property; or (iii) a third party that owns all or any part of the Project, Property, or Personal Property, provided that either (a) such third party has a credit rating equal to or better than that of Lancium LLC at the time of such assignment, or (b) Lancium LLC assumes joint and several liability under this Agreement for any obligations assigned to such third party. The County expressly consents to any assignment described in the preceding sentence, and agrees that no further consent of County to such an assignment will be required. Lancium LLC agrees to notify County in writing at least thirty (30) days prior to any such assignment. The County and Lancium LLC each agree to

execute, and/or cause assignees to execute, any assignments, amendments or supplements of or to this Agreement reasonably requested by the other party to effectuate or document the terms of an assignment pursuant to this Section 20 , and the County agrees to make Grant direct payments to assignees to the extent directed under the terms of an assignment notice or other document executed in accordance with this Section 20 (provided that all Grant payments shall be made to Lancium LLC unless otherwise directed). For the avoidance of doubt, the County and Lancium intend that investment, employment, and other obligations of Lancium LLC hereunder may collectively be met by Lancium LLC and its assignees. The County and Lancium hereby acknowledge that the Lancium LLC affiliates listed on Exhibit A hereto are owners of assets comprising the Pecos Central Appraisal District property tax account(s) listed thereon, and shall therefore be assignees of Lancium LLC under this Agreement for all purposes hereunder, (including, for avoidance of doubt, for purposes of satisfying any investment or employment requirements or entitling Lancium LLC to receive Grants in respect of such assets).

21. **Authority**. The individuals executing this Agreement on behalf of the respective parties hereto represent to each other and to others that all appropriate and necessary action has been taken to authorize the individual who is executing this Agreement to do so for and on behalf of the party for which his or her signature appears, that there are no other parties or entities required to execute this Agreement in order for the same to be an authorized and binding agreement on the party for whom the individual is signing this Agreement and that each individual affixing his or her signature hereto is authorized to do so, and such authorization is valid and effective on the date hereof.

22. **Multiple Counterparts**. This Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original and all of which, when taken together shall constitute one and the same instrument.

23. **Time of Essence**. Time is of the essence in this Agreement.

24. **Joint Drafting**. The parties agree this Agreement has been drafted jointly by the parties and their legal representatives.

25. **Exhibits**. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

26. **Severability**. If any provision of this Agreement or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, and such invalidity or unenforceability does not destroy the basis of the bargain between the Parties, then the remainder of this Agreement and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

* * *

[signature page follows]

IN WITNESS WHEREOF. the parties have executed this Agreement and caused this Agreement to be effective on the latest date as reflected by the signatures below (the *"**Effective Date**"*).

PECOS COUNTY, TEXAS

By: _____

Name: Joe Shastee

Title: Pecos County Judge

Date: 1-22-24

LANCIUM, LLC

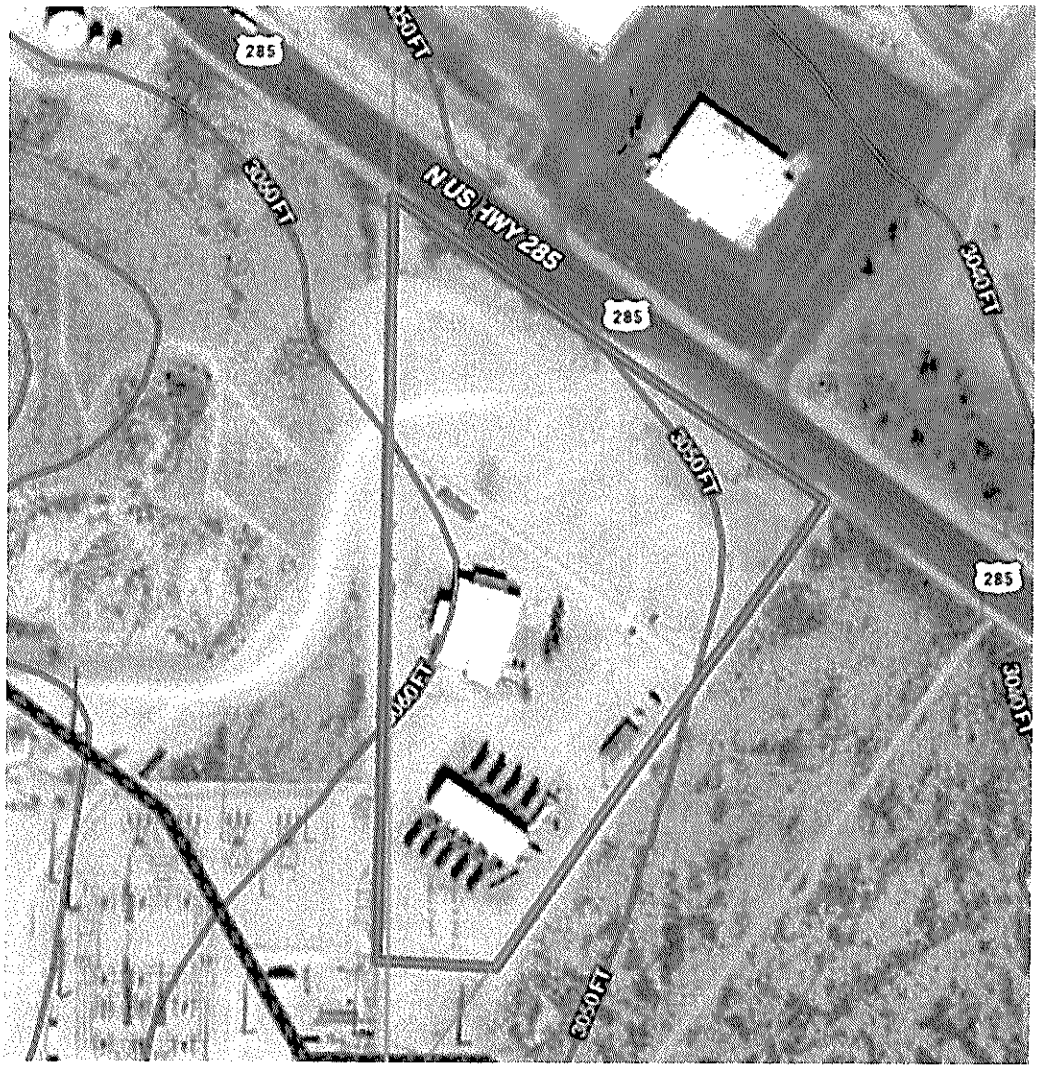
By: Jennifer Kennedy

Name: Jennifer Kennedy

Title: Tax Director

Date: 1/22/24

EXHIBIT A



Property Tax ID	Legal Description	Assignee Owner of Included Assets	Acreage
11019	5650 146 T&STL SEC 24	Rolling Plains EV Stations LLC	9.84
5351705	Bitcoin Mining	Lancium FS 25, LLC	

TYP | THOMAS Y PICKETT
14665 Midway Rd Ste 100 Addison, TX 75001-3156

Industrial and Utility Appraisal

Pecos CAD

LANCIUM (PT0000146276) 56,832,000

9950 Woodloch Forest Dr.
Suite 1600
The Woodlands, TX 77380

Rendered: No
Extension: No

ID	Description	CL	RCN	RCNLD	Prev. Yr. (2022)	Current Yr. (2023)	Delta
Pecos County, Fort Stockton ISD, City of Fort Stockton, Middle Pecos Groundwater Conservation District, Pecos County Memorial Hospital District, Midland College							
PCL0000151468	BITCOIN MINING - PECOS CO, TX	L2	30,000,000	27,990,000		27,990,000	
PCL0000221705	SUBSTATION	L2	30,360,000	28,842,000		28,842,000	
	TOTAL LANCIUM:					56,832,000	

GRAND TOTAL Pecos CAD:	56,832,000