

Jana Kennon, County Clerk
Wilbarger County, Texas

NOV 28 2022

Tax Abatement Agreement between By Jana Kennon **Deputy**
Wilbarger County, Texas and Crusoe Energy Systems, LLC

State of Texas

County of Wilbarger

This Tax Abatement Agreement (the "**Agreement**") is made and entered into by and between Wilbarger County, Texas (the "**County**"), acting through its duly elected officers, and Crusoe Energy Systems, LLC, a Delaware limited liability company (herein defined as Owner), which will be the Owner of Eligible Property (as hereinafter defined) to be located on real property in which Owner currently holds a leasehold interest and which is located in the Reinvestment Zone described in this Agreement. This Agreement shall become effective upon final signature by both parties (which date shall be the "**Effective Date**") and shall remain in effect until fulfillment of the obligations described in Paragraph IV(D), unless terminated earlier as provided herein.

I. Authorization

This Agreement is authorized and governed by Chapter 312 of the Texas Tax Code, as amended, and by the Guidelines and Criteria (as defined below).

II. Definitions

As used in this Agreement, the following terms shall have the meaning set forth below:

- A. "Abatement" means the full or partial exemption from ad valorem taxes on property in a Reinvestment Zone as provided herein.
- B. "Abatement Period" means the ten-year period described in Paragraph IV(B)(1) of this Agreement during which the Abatement will apply.
- C. "Base Year" means the Calendar Year in which the Effective Date occurs.
- D. "Calendar Year" means each year beginning on January 1 and ending on December 31.
- E. "Certificate" means a letter, provided by the Owner (as defined below) to the County that certifies that the Project has achieved Commercial Operations and describes with reasonable specificity the Improvements included in the Project (included those that are still under construction).
- F. "Certified Appraised Value," means the appraised value, for property tax purposes, of Owner's Eligible Property (including the Improvements) within the Reinvestment



Zone as certified by the Wilbarger County Appraisal District ("County Appraisal District") for each tax year.

- G. "COD" means the date that the Project commences Commercial Operations.
- H. "Commercial Operations" means that the Project has become commercially operational and placed into service for the purpose of performing data processing operations.
- I. "Default Notice" means a written notice delivered by one party to the other under Paragraph VII(A) of this Agreement. Default Notices must be delivered in accordance with the requirements of Paragraph X of this Agreement.
- J. "Eligible Property" means property eligible for Abatement under the Guidelines and Criteria, including (but not limited to): new, expanded, or modernized buildings and structures; fixed machinery and equipment; site improvements; office space; other related fixed improvements; other tangible items necessary to the operation and administration of a project or facility; and all other real and tangible personal property permitted to receive tax abatement by Chapter 312 of the Texas Tax Code and the Guidelines and Criteria. Taxes on Eligible Property may be abated only to the extent the property's value for a given year exceeds its value for the Base Year. Tangible personal property located in the Reinvestment Zone at any time before the date the Agreement is signed is not eligible for Abatement. Tangible personal property eligible for Abatement shall not include inventory or supplies.
- K. "Force Majeure" includes events not reasonably within the control of the party whose performance is sought to be excused thereby, including the following causes and events: acts of God and the public enemy, strikes, lockouts or other industrial disturbances, inability to obtain material or equipment or labor due to an event that meets the definition of a Force Majeure, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, high water washouts, inclement weather, arrests and restraint of rulers and people, interruptions by government or court orders, present or future orders of any regulatory body, civil disturbances, explosions, breakage or accident to machinery or lines, freezing of lines any laws, rules, orders, acts or restraint of government or governmental body or court, or the partial or entire failure of fuel supply or any other event that is beyond the reasonable control of the party claiming Force Majeure.
- L. "Guidelines and Criteria" means the *Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zones*, adopted by the Wilbarger County Commissioners Court on November 14, 2022 (the "Guidelines and Criteria"), a copy of which is attached hereto as Attachment B to this Agreement.
- M. "Improvements" means Eligible Property meeting the definition for improvements provided by Chapter 312 of the Texas Tax Code and includes, but is not limited to, any



building, structure, or fixture erected on or affixed to the Site and any tangible personal property located on the Site.

- N. "Lender" means any entity or person providing, directly or indirectly, with respect to the Improvements or Project any of (a) senior or subordinated construction, interim or long-term debt financing or refinancing, whether that financing or refinancing takes the form of private debt, public debt, or any other form of debt (including debt financing or refinancing), (b) a leasing transaction, including a sale leaseback, inverted lease, or leveraged leasing structure, (c) tax equity financing, (d) any interest rate protection agreements to hedge any of the foregoing obligations, and/or (e) any energy hedge provider. There may be more than one Lender. Owner, at its election, may send written notice to the County with the name and notice information for any Lender.
- O. "Local Outreach Plan" means the plan attached to this Agreement as Attachment D.
- P. "Notice of Abatement Commencement" has the meaning assigned in Paragraph IV(B)(6) of this Agreement.
- Q. "Notices" means all notices, demands, or other communications of any type given in accordance with Paragraph X, including Default Notices.
- R. "Owner," on the Effective Date, means Crusoe Energy Systems, LLC, a Delaware limited liability company, the entity that owns the Eligible Property for which the Abatement is being granted, and also includes any assignee or successor-in-interest of such party. An "Affiliate" of an Owner means any entity that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with such Owner. For purposes of this definition, "control" of an entity means (i) the ownership, directly or indirectly, of fifty percent (50%) or more of the voting rights in a company or other legal entity or (ii) the right to direct the management or operation of such entity whether by ownership (directly or indirectly) of securities, by contract or otherwise.
- S. "Reinvestment Zone" means the reinvestment Zone, as that term is defined in Chapter 312 of the Texas Tax Code, created by Wilbarger County by that certain Resolution Adopting and Designating Crusoe Data Center Project Reinvestment Zone in the Jurisdiction of Wilbarger County, Texas, adopted and approved by the Wilbarger County Commissioners' Court on November 28, 2022, a copy of which resolution is attached as Attachment A to this Agreement.
- T. "Site" means the portion of the Reinvestment Zone leased by Owner and on which Owner makes the Improvements and installs and constructs the Eligible Property for which the Abatement is granted hereunder. The site is described on Attachment C to this Agreement.



- U. "Term" means the period commencing on the Effective Date of this Agreement and ending on December 31 of the tenth Calendar Year after the commencement of the Abatement Period.

III. Improvements in Reinvestment Zone

Owner anticipates making the following Improvements on the Site:

- A. Owner anticipates constructing Improvements on the Site consisting of tangible personal property on the Site that will collectively constitute a data center to be used for cryptocurrency mining and other data processing, which Owner anticipates will consist of shipping containers repurposed to construct a modular data center facility, supporting infrastructure for the data center, network equipment and hardware to provide a local area network and high speed internet connectivity, transformers and other equipment necessary to manage the data center power load, multiple specialized computer hardware "mining rigs," and other ancillary property supporting the operation of the data center (the "Project"). The Certified Appraised Value will depend upon annual appraisals by the County Appraisal District.
- B. The Improvements will also include any other property in the Reinvestment Zone owned by Owner meeting the definition of "Eligible Property" that is used as part of, in conjunction with, or otherwise to support the operation of its data center.
- C. Owner anticipates that the Project will achieve Commercial Operations by no later than March 31, 2023; provided, however, nothing herein shall cause to commit Owner to construct the Project and/or install the Improvements at the Site within such timeframe or otherwise, which decision to construct (including the timing thereof) shall be in Owner's sole and absolute discretion.

IV. Term and Portion of Tax Abatement; Taxability of Property

- A. The County and Owner specifically agree and acknowledge that Owner's property in the Reinvestment Zone shall be taxable in the following ways before, during, and after the Term of this Agreement:
 - 1. Property not eligible for Abatement, if any, shall be fully taxable at all times;
 - 2. The Certified Appraised Value of property existing in the Reinvestment Zone prior to execution of this Agreement shall be fully taxable at all times;
 - 3. Prior to commencement of the Abatement Period, the Certified Appraised Value of real and personal property owned by Owner located in the Reinvestment Zone shall be fully taxable at all times;



4. During the Abatement Period, all categories of county property taxes on the Certified Appraised Value of the Eligible Property shall be abated for the periods and in the amounts as provided for by Paragraph IV(B) below; and
 5. After expiration of the Abatement Period, 100% the Certified Appraised Value of real and personal property owned by Owner located in the Reinvestment Zone shall be fully taxable at all times, including during the remainder of the Term.
- B. The County and Owner specifically agree and acknowledge that this Agreement shall provide for tax Abatement, under the conditions set forth herein, of all categories of county property taxes assessed on the Eligible Property in the Reinvestment Zone as follows:
1. Beginning on the earlier of (a) January 1 of the first Calendar Year after the COD or (b) January 1 of the Calendar Year identified in a Notice of Abatement Commencement (as defined below) delivered by Owner (with such Calendar Year being "Year 1" of the Abatement Period) and ending upon the conclusion of ten full Calendar Years thereafter (which 10-year period shall constitute the Abatement Period), the Abatement percentages shall be: 80% for the first 5 years and 40% for the next 5 years.
 2. The foregoing percentages of property taxes on the Certified Appraised Value of all Improvements described in the Certificate (and actually in place in the Reinvestment Zone) shall be abated for the entire Abatement Period.
 3. The foregoing percentages of property taxes on the Certified Appraised Value of any and all otherwise taxable Eligible Property owned by Owner and located in the Reinvestment Zone shall be abated for the entire Abatement Period.
 4. The Base Year value for the proposed Improvements is agreed to be zero.
 5. Owner shall provide the Certificate to the County and to the County Appraisal District within sixty (60) days after the COD. The Certificate shall describe any ancillary facilities not required for Commercial Operations that are still under construction on the date that the Certificate is delivered, and if the Certificate indicates any such facilities exist, Owner will deliver an amended Certificate to the County within thirty (30) days after all Project construction is complete. If they meet the definition of "Eligible Property," such ancillary facilities, once completed, shall become part of the Improvements eligible for the Abatement under this Agreement.
 6. If Owner, at its sole election, desires that the Abatement Period begin prior to January 1 of the of the first Calendar Year after the COD, then Owner may deliver a notice to the County and County Appraisal District stating such



desire (such notice being referred to herein as a "Notice of Abatement Commencement"). If delivered by Owner, the Notice of Abatement Commencement shall contain the following statement: "Owner elects for the Abatement Period to begin on January 1, 20__"; the year stated in the Notice of Abatement Commencement shall be the first year of the Abatement Period, and the Abatement Period shall extend for 10 years beyond such date. Owner shall only be permitted to deliver a Notice of Abatement Commencement if it anticipates achieving COD during the next Calendar Year. Owner shall still be required to deliver the Certificate on or before the date required in the preceding paragraph.

7. Notwithstanding any statement or implication in this Agreement to the contrary, the parties agree that the Abatement granted in this Agreement shall in no event extend beyond 10 years.
- C. All or a portion of the Improvements may be eligible for complete or partial exemption from ad valorem taxes as a result of existing law or future legislation. This Agreement is not to be construed as evidence that no such exemptions shall apply to the Improvements.
 - D. Owner agrees that the Improvements, once constructed, will remain in place for at least the remainder of the Term; provided that nothing herein prevents Owner from replacing equipment or fixtures comprising the Improvements prior to that date. IN THE EVENT OF A BREACH OF THIS PARAGRAPH IV(D), THE SOLE REMEDY OF THE COUNTY, AND OWNER'S SOLE LIABILITY, WILL BE THE TERMINATION OF THIS AGREEMENT AND NO ABATEMENT PROVIDED UNDER THIS AGREEMENT FOR THE CALENDAR YEAR IN WHICH THE TERMINATION OCCURS.
 - E. During the Abatement Period, County shall request that the County Appraisal District annually determine both (i) the Certified Appraised Value of the Eligible Property owned by Owner in the Reinvestment Zone and (ii) the taxable value (taking into account the terms of the Abatement in this Agreement) of the Eligible Property owned by Owner in the Reinvestment Zone. The County Appraisal District shall record both the Certified Appraised Value and the abated taxable value of the Eligible Property in the County appraisal records (which taxable value shall be zero for each of the years during the Abatement Period). The Certified Appraised Value listed in the County appraisal records shall be the standard used for calculating the amount of taxes to be recaptured by the County in the event that the County is entitled to recapture abated taxes under this Agreement.



V. Representations

The County and Owner make the following respective representations:

- A. Owner represents and agrees that (i) Owner, its successors and/or assigns, will have a taxable interest with respect to Improvements to be placed on the Site; (ii) construction of the proposed Improvements will be performed by Owner, its successors and/or assigns and/or their contractors or subcontractors, (iii) Owner's and its successors' and assigns' use of the Site will be limited to the use described in this Agreement (and ancillary uses) during the Abatement Period, (iv) all representations made in this Agreement are true and correct in all material respects to the best of Owner's knowledge, and (v) Owner will make any filings with the Office of the Comptroller of Public Accounts and other governmental entities concerning this Agreement that may be required now or in the future.
- B. The County represents that (i) the County has formally elected to be eligible to grant property tax abatements under Chapter 312 of the Tax Code; (ii) the Reinvestment Zone has been designated and this Agreement has been approved in accordance with Chapter 312 of the Texas Tax Code and the Guidelines and Criteria as both exist on the effective date of this Agreement; (iii) no interest in the Improvements or Site is held, leased, or subleased by a member of the County Commissioners Court, (iv) that the property within the Reinvestment Zone and the Site is located within the legal boundaries of the County and outside the boundaries of all municipalities located in the County; (v) the terms of this Agreement are within its Guidelines & Criteria, subject to any exceptions approved by the County Commissioners Court, and that the approval of this Agreement will not have any substantial, long-term, adverse effect upon the provision of County's services or its tax base, (vi) County is eligible to participate in tax abatement (pursuant to Texas Tax Code §312.002(a)) and that Owner's planned use of the Site inside the Reinvestment Zone does not constitute a hazard to public safety, health, or morals. and (vii) the County has made and will continue to make all required filings with the Office of the Comptroller of Public Accounts and other governmental entities concerning the Reinvestment Zone and this Agreement.

VI. Access to and Inspection of Property by County Employees

- A. Owner shall allow the County's employees access to the Site for the purpose of inspecting any Improvements erected to ensure that the same are conforming to the minimum specifications of this Agreement and to ensure that all terms and conditions of this Agreement are being met. All such inspections shall be made only after giving Owner three (3) business day's prior notice and shall be conducted in such a manner as to avoid any unreasonable interference with the construction and/or operation of the Improvements. All such inspections shall be made with one (1) or more representatives of Owner in accordance with all applicable safety standards.



- B. Owner shall, on or before May 1 of each Calendar Year after COD certify annually to the County its compliance with this Agreement during the preceding Calendar Year by providing a written statement of compliance to the County Judge.

VII. Default, Remedies and Limitation of Liability

- A. No party may terminate this Agreement unless (i) such party provides a written Default Notice to the other party specifying a material default in the performance of a material covenant or obligation under this Agreement and (ii) such failure is not (x) excused by the occurrence of an event of Force Majeure or (y) cured by the other party within ninety (90) days after the delivery of the Default Notice, or if such failure cannot be cured within such ninety (90)-day period, the other party shall have such additional time, up to 365 days, to cure such default as is reasonably necessary as long as such party has commenced remedial action to cure such failure and continues to diligently and timely pursue the completion of such remedial action before the expiration of the maximum 365-day cure period. Notwithstanding the preceding portions of this paragraph, if any default arises from a violation of law resulting from a change in law or a change in the interpretation or enforcement of law by a governmental entity, then such default shall not give rise to the termination of this Agreement so long as the defaulting party acts in accordance with a commercially reasonable plan of action to minimize the effect of such default prepared by the defaulting party and delivered to the other party. If Owner believes that any alleged termination is improper, Owner may file suit in the proper court challenging such termination. OWNER'S SOLE REMEDY WILL BE REINSTATEMENT OF THIS AGREEMENT AND SPECIFIC PERFORMANCE BY THE COUNTY, PLUS RECOVERY OF ATTORNEYS' FEES AND COURT COSTS IF PERMITTED BY LAW. In the event of default which remains uncured after all applicable notice and cure periods, the County may pursue the remedies provided for in Paragraph VII(D) and (E) below or the preceding Paragraph IV(D), as applicable.
- B. The County shall not declare a default, and no default will be deemed to have occurred, when the circumstances giving rise to such declaration are the result of Force Majeure. Notwithstanding any other provision of this Agreement to the contrary, in the event a party is rendered unable, wholly or in part, by Force Majeure to carry out its obligations under this Agreement (other than any obligation to make payment of any amount when due and payable hereunder), the obligation of such party, so far as it is affected by such Force Majeure, shall be suspended during the continuance of any condition or event of Force Majeure, but for no longer period, and such condition or event shall so far as possible be remedied with all reasonable dispatch. The party prevented or hindered from performing shall give prompt (but in no event later than twenty business days after the occurrence of such event) notice and reasonably full particulars of such event to the other party and shall take all reasonable actions within its power to remove the basis for nonperformance (including securing alternative supply sources) and after doing so shall resume performance as soon as possible. The settlement of strikes or lockouts or resolution of differences with workers shall be entirely within the discretion of the affected party, and that the above requirement that any Force Majeure shall be remedied



with all reasonable dispatch shall not require the settlement of strikes, lockouts or differences by acceding to the demands of the opposing party in such strike, lockout or difference when such course is inadvisable in the reasonably exercised discretion of the affected party.

- C. The County shall notify Owner and any Lender (but only if the County has been provided with the name and notice information of the Lender) of any default by delivery of a Default Notice in the manner prescribed herein. The Default Notice shall specify the basis for the declaration of default, and Owner shall have the periods of time specified in Paragraph VII(A) above to cure any default. If Owner provides notice to the County of the existence of a Lender under Paragraph IX(E) and includes the Lender's contact information, then the County shall be required to deliver a copy of any Default Notice to the Lender at the same time that it delivers the Default Notice to Owner. Such Lender shall have the right to cure any Owner default on Owner's behalf and shall be entitled to the same cure periods provided for Owner under this Agreement.
- D. As required by section 312.205 of the Texas Tax Code, if Owner fails to make the Improvements as provided by the Agreement, and Owner's default remains uncured after all applicable notice and cure periods, the County shall be entitled to cancel the Agreement and recover the property tax revenue abated under this Agreement through the cancellation date. Owner agrees to pay such amounts within sixty (60) days after the cancellation of this Agreement.
- E. LIMITATION OF LIABILITY: CANCELLATION OF THE AGREEMENT (RESULTING IN A FORFEITURE OF ANY RIGHT TO ABATEMENT HEREUNDER BEYOND THE CANCELLATION DATE) AND RECAPTURE OF PROPERTY TAXES ABATED ONLY AS PROVIDED FOR AND ONLY UNDER THE CIRCUMSTANCES DEFINED IN PARAGRAPH VII(D) OF THIS AGREEMENT OR PARAGRAPH IV(D) OF THIS AGREEMENT, ALONG WITH ANY REASONABLY INCURRED COURT COSTS AND ATTORNEYS' FEES, SHALL BE THE COUNTY'S SOLE REMEDY, AND OWNER'S SOLE LIABILITY, IN THE EVENT OWNER FAILS TO TAKE ANY ACTION REQUIRED BY THIS AGREEMENT, INCLUDING ANY FAILURE TO PAY AMOUNTS OWED UNDER THIS AGREEMENT. OWNER AND COUNTY AGREE THAT THE LIMITATIONS CONTAINED IN THIS PARAGRAPH ARE REASONABLE AND REFLECT THE BARGAINED FOR RISK ALLOCATION AGREED TO BY THE PARTIES. IN THE EVENT OF A BREACH OF THIS AGREEMENT, ANY TAXES DUE BY OWNER SHALL BE SUBJECT TO ANY AND ALL STATUTORY RIGHTS FOR THE PAYMENT AND COLLECTION OF TAXES IN ACCORDANCE WITH THE TEXAS TAX CODE.
- F. Any Default Notice delivered to Owner and any Lender under this Agreement shall prominently state the following at the top of the notice:



NOTICE OF DEFAULT UNDER TAX ABATEMENT AGREEMENT

YOU ARE HEREBY NOTIFIED OF THE FOLLOWING DEFAULT UNDER YOUR TAX ABATEMENT AGREEMENT WITH THE COUNTY. FAILURE TO CURE THIS DEFAULT WITHIN THE TIME PERIODS PROVIDED BY THE AGREEMENT SHALL RESULT IN CANCELLATION OF THE TAX ABATEMENT AGREEMENT AND, IF PERMITTED, RECAPTURE OF TAXES ABATED PURSUANT TO THE AGREEMENT.

VIII. Compliance with State and Local Regulations

Nothing in this Agreement shall be construed to alter or affect the obligations of Owner to comply with any order, rule, statute, or regulation of the County or the State of Texas.

IX. Assignment of Agreement

- A. The rights and responsibilities of Owner hereunder may be assigned, in whole or in part, only after obtaining the County's prior consent, which consent shall not be unreasonably withheld, conditioned, or delayed; provided, however, consent shall not be required to any assignment to an Affiliate of Owner. Any assignment by Owner under this paragraph without first obtaining the consent of the County shall be a default under this Agreement subject to the notice provisions, cure provisions, remedies, and other terms and conditions of Article VII above. Owner shall give twenty (20) days' written notice of any such intended assignment to the County, and the County shall respond with its consent or refusal within fifteen (15) days after receipt of Owner's notice of assignment. If the County responds to Owner's notice of assignment with a refusal, the parties agree to work together in good faith to resolve the County's objections to the assignment. If the County fails to respond within such fifteen (15) day period, the County shall be deemed to have approved such assignment. Owner's assignment of the Agreement shall be final only after the execution of a formal assignment document between Owner and the assignee and the delivery of notice of the execution of such assignment agreement to the County, and thereafter, Owner shall be relieved of any liability associated with this Agreement to the extent such liability arises or becomes due after the effective date of such transfer. Neither Owner's notice of an intended assignment nor the County's formal consent to an intended assignment shall constitute an assignment of the Agreement, and Owner's request for a consent to assignment shall not obligate owner to assign the Agreement. The County shall not unreasonably withhold consent to a transfer or an assignment under this Paragraph IX(A), and the transfer or assignment shall be presumed to be reasonable where the proposed transferee/assignee demonstrates to the County its financial capacity to meet the terms of this Agreement, agrees to be bound by all conditions and obligations stated herein, and is not in default under any other agreement with the County.
- B. No assignment under Paragraph IX(A) shall be allowed if (a) the County has declared a default hereunder that has not been cured within all applicable notice and cure



- periods, or (b) the assignee is delinquent in the payment of ad valorem taxes owed to the County or any other taxing jurisdiction in the County.
- C. The parties agree that a transfer of all or a portion of the ownership interests in Owner to a third party shall not be considered an assignment under the terms of this Agreement and shall not require any consent of the County.
- D. Upon any assignment and assumption under Paragraph IX(A) of Owner's entire interest in the Agreement, Owner shall have no further rights, duties or obligations under the Agreement. Upon any assignment and assumption under Paragraph IX(A) of only a portion of Owner's interest in the Agreement (for example, if only portion of the Improvements or Project is transferred by Owner to a third party), then (i) each of Owner and each assignee of a portion of this Agreement shall be considered an Owner party under this Agreement, (ii) the County shall cause the property taxes owned by each of the Owner parties to be separately assessed, and (iii) neither of the Owner parties shall have any further rights, duties, or obligations under the Agreement as to the portion of the Improvements or Project owned by another Owner party.
- E. In addition to its rights under Paragraph IX(A), Owner may, without obtaining the County's consent, mortgage, pledge, or otherwise encumber its interest in this Agreement or the Project to a Lender for the purpose of financing the operations of the Project or constructing the Project or acquiring additional equipment following any initial phase of construction. Owner's encumbering its interest in this Agreement may include an assignment of Owner's rights and obligations under this Agreement for purposes of granting a security interest in this Agreement. In the event Owner takes any of the actions permitted by this subparagraph, it may provide written notice of such action to the County with such notice to include the name and notice information of the Lender. If Owner provides the name and contact information of a Lender to the County, then the County shall be required to provide a copy to such Lender of all Notices delivered to Owner at the same time that the Notice is delivered to Owner. If Owner does not provide the name and contact information of a Lender to the County, then such Lender shall not have the notice rights or other rights of a Lender under this Agreement.

X. Notice

All Notices (including Default Notices) shall be given in accordance with this Section. All Notices shall be in writing and delivered, by commercial delivery service to the office of the person to whom the Notice is directed (provided that that delivery is confirmed by the courier delivery service); by United States Postal Service (USPS), postage prepaid, as a registered or certified item, return receipt requested in a proper wrapper and with proper postage; by recognized overnight delivery service as evidenced by a bill of lading, or by facsimile transmission. Notices delivered by commercial delivery service shall be deemed delivered on receipt or refusal; notices delivered by USPS shall be deemed to have been given upon deposit with the same; facsimile notice shall be effective upon receipt by the sender of an electronic confirmation. All Default Notices shall be given by at least two (2) methods of delivery and



in a manner consistent with Section VII(F). All Notices (including Default Notices) shall be mailed or delivered to the following addresses:

To the Owner: Crusoe Energy Systems, LLC
Attn: Scott Williams
1641 California Street, Suite 400
Denver, CO 80202

To the County: County Judge Greg Tyra
1700 Wilbarger St., Rm. 12
Vernon, TX 76384

Any party may designate a different address by giving the other party at least ten (10) days written notice in the manner prescribed above.

XI. Severability

In the event any section or other part of this Agreement is held invalid, illegal, factually insufficient, or unconstitutional, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the parties intended at all times to delete said invalid sections or other part. In the event that (i) the term of the Abatement with respect to any property is longer than allowed by law, or (ii) the Abatement applies to a broader classification of property than is allowed by law, then the Abatement shall be valid with respect to the classification of property not deemed overly broad, and for the portion of the term of the Abatement not deemed excessive. Any provision required by the Tax Code to be contained herein that does not appear herein is incorporated herein by reference.

XII. Applicable Law

This Agreement shall be construed under the laws of the State of Texas.

XIII. Amendment

Except as otherwise provided, this Agreement may be modified by the parties hereto upon mutual written consent to include other provisions which could have originally been included in this Agreement or to delete provisions that were not originally necessary to this Agreement pursuant to the procedures set forth in Chapter 312 of the Texas Tax Code.

XIV. Guidelines and Criteria

This Agreement is entered into by the parties consistent with the Guidelines and Criteria. To the extent this Agreement modifies any requirement or procedure set forth in the Guidelines



and Criteria or is inconsistent with any provision of the Guidelines and Criteria, the Guidelines and Criteria are deemed amended for purposes of this Agreement only.

XV. Entire Agreement

This Agreement contains the entire and integrated Tax Abatement Agreement between the County and Owner, and supersedes any and all other negotiations and agreements, whether written or oral, between the parties. This Agreement has not been executed in reliance upon any representation or promise, except those contained herein.

XVI. Relationship of the Parties

Owner enters into this Agreement as, and shall continue to be, an independent contractor. Under no circumstances shall Owner, or any of Owner's employees, look to Wilbarger County as his/her employer, or as a partner, agent or principal. Neither Owner nor any of Owner's employees shall be entitled to any benefits accorded to Wilbarger County's employees, including without limitation worker's compensation, disability insurance, vacation or sick pay. Owner shall be responsible for providing, at Owner's expense and election, and in Owner's name, unemployment, disability, worker's compensation and other insurance that Owner elects to provide, as well as all licenses and permits that are usual or necessary in connection with the Project.

XVII. Local Outreach Plan

Owner shall comply with the provisions of the Local Outreach Plan.

XVIII. Employment of Undocumented Workers.

During the term of this Agreement, Owner agrees not to knowingly employ any undocumented workers as defined in Section 2264.001 of the Texas Government Code. If Owner is convicted after exhaustion of all rights of appeal of a violation under 8 U.S.C. §1324a(f), Owner shall repay the amount of the abatements and any other funds received by Owner from the County as of the date of such violation, not later than sixty (60) days after the date Owner is notified by the County of a violation of this section, plus interest at the rate periodically announced by the Wall Street Journal as the prime or base commercial lending rate, or if the Wall Street Journal shall ever cease to exist or cease to announce a prime or base lending rate, then at the annual rate of interest from time to time announced by Citibank, N.A. (or by any other New York money center bank selected by the County) as its prime or base commercial lending rate. The payment of interest shall be as if it had been accruing from the dates the abatements were granted to Owner until the date the amount due is repaid to the County.

XIX. No Boycott.



In accordance with Section 2270.002 of the Texas Government Code (as added by Tex. H.B. 89, 85th Leg., R.S. (2017)), Owner verifies that it does not boycott Israel and will not boycott Israel during the term of this Agreement.

XX. Not a Listed Company.

In accordance with Section 2252.152 of the Texas Government Code (as added by Tex. S. B. 252, 85th Leg., R.S. (2017)), the Parties covenant and agree that Owner is not on a list maintained by the State Comptroller's office prepared and maintained pursuant to Section 806.051, 807.051, or 2252.153 of the Texas Government Code.

XXI. Estoppel Certificates.

Each party on written request from the other party shall provide an estoppel certificate that shall certify, as of the date of the certificate: (i) that this Agreement is in full force and effect without default if such is the case, (ii) the remaining term of this Agreement, and (iii) such other matters as may be agreed upon by the parties, a party's consent to inclusion of other matters not to be unreasonably withheld. A party shall provide the estoppel certificate or an explanation of why the party is not willing to provide the certificate within thirty (30) days of receiving a request.

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by the County as authorized by the County Commissioners Court and executed by the Owner on the respective dates shown below.

WILBARGER COUNTY, TEXAS

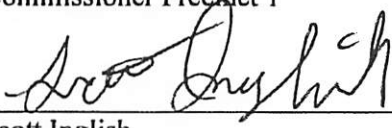
By:

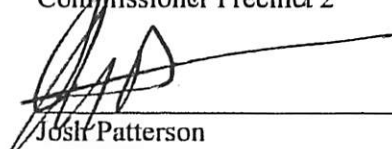

Greg Tyra, County Judge

Date:


Billy Taylor
Commissioner Precinct 1


Phillip Graf
Commissioner Precinct 2


Scott English
Commissioner Precinct 3


Josh Patterson
Commissioner Precinct 4



 A circular seal for Wilbarger County, Texas, featuring a star in the center and the words "WILBARGER COUNTY TEXAS" around the perimeter. The seal is partially obscured by a signature and the text "Attest: County Clerk".
Attest: Anna Kinnon
County Clerk

[signatures continue next page]



OWNER:

CRUSOE ENERGY SYSTEMS, LLC

By: 

Date: 11/28/22

Print Name: Scott Williams

Print Title: Vice President, Business Development



Attachment A

Attached is the Order Designating the Reinvestment Zone



FILED
Jana Kennon, County Clerk
Wilbarger County, Texas

NOV 28 2022

Jana Kennon

**RESOLUTION ADOPTING AND DESIGNATING CRUSOE DATA CENTER PROJECT
REINVESTMENT ZONE IN THE JURISDICTION OF WILBARGER COUNTY, TEXAS**

Deputy

STATE OF TEXAS }
 }
COUNTY OF WILBARGER }

WHEREAS, the Commissioners Court of Wilbarger County, Texas (the "County") desires to make available tax abatement relief in the area which is the subject of this resolution in order to encourage the development of primary employment and to attract major investment in the County; and,

WHEREAS, the County has elected to become eligible to participate in tax abatement agreements under the provisions of the Texas Property Redevelopment and Tax Abatement Act (Chapter 312 of the Texas Tax Code); and,

WHEREAS, the County has adopted guidelines and criteria governing tax abatement agreements in a resolution dated on or about November 14, 2022 (the "Abatement Guidelines and Criteria"); and,

WHEREAS, a public hearing is required by Chapter 312 of the Texas Tax Code prior to approval of a reinvestment zone; and

WHEREAS, the County (a) timely published or posted all applicable notices of public hearing regarding the designation of the attached real estate described in the attached Exhibit A as a reinvestment zone for tax abatement purposes, and (b) timely notified all applicable presiding officers of the governing body of each taxing unit that includes in its boundaries real property that may be included in the proposed reinvestment zone;

WHEREAS, the improvements proposed by Crusoe Energy Systems, LLC are feasible and of benefit to the reinvestment zone after expiration of an abatement agreement; and

WHEREAS, the property described on Exhibit A meets the criteria established in the Abatement Guidelines and Criteria; and

WHEREAS, the designation of the reinvestment zone would contribute to the retention or expansion of primary employment or would attract major investment in the reinvestment zone that would be of benefit to the property described on Exhibit A and would contribute to the economic development of the County; and

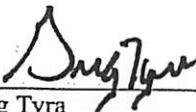
WHEREAS, all interested members of the public were given an opportunity to make comment at the public hearing.



NOW, THEREFORE, BE IT ORDERED, by the Commissioners Court of Wilbarger County, that

The County hereby designates the property located in Wilbarger County, Texas having the property description in Exhibit A attached to this Order, as a Reinvestment Zone under the Wilbarger County Abatement Guidelines and Criteria, to be known as the Crusoe Data Center Project Reinvestment Zone, having determined that (a) the property described on Exhibit A meets the criteria established in the Wilbarger County Abatement Guidelines and Criteria, (b) the designation of such Reinvestment Zone would contribute to the retention or expansion of primary employment or would attract major investment in the Reinvestment Zone that would be of benefit to the property described on Exhibit A would contribute to the economic development of the County.

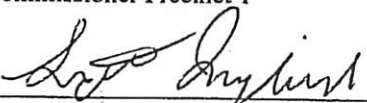
The foregoing Resolution was lawfully moved by Josh Patterson duly seconded by Scott English, and duly adopted by the Wilbarger County Commissioner's Court, the 28th day of November 2022.



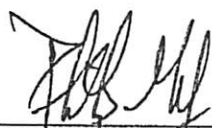
Greg Tyra
Wilbarger County Judge



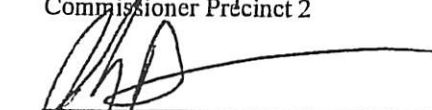
Billy Taylor
Commissioner Precinct 1



Commissioner Precinct 3
Scott English

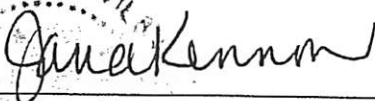


Phillip Graf
Commissioner Precinct 2



Commissioner Precinct 4
Josh Patterson

ATTEST:

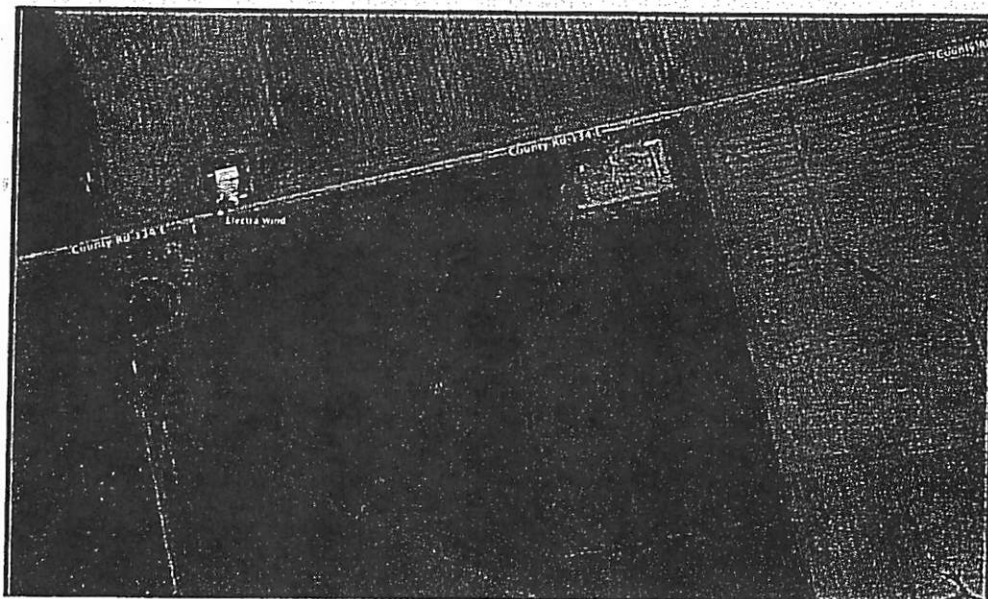


Wilbarger County Clerk



Exhibit A
CRUSOE DATA CENTER PROJECT REINVESTMENT ZONE

MAP OF PROPOSED REINVESTMENT ZONE



PARCELS IN PROPOSED REINVESTMENT ZONE
INCLUDE:

Owner Name	Legal Description
CLAY AND STEPHANIE STEWART	ABST 896 BLK 14 H&TC SEC 14



Attachment B

Attached is a copy of the Guidelines and Criteria.



FILEDJana Kennon, County Clerk
Wilbarger County, Texas

NOV 14 2022

*Jana Kennon***RESOLUTION AND ORDER REAUTHORIZING AMENDED AND RESTATED
GUIDELINES AND CRITERIA FOR GRANTING PROPERTY TAX ABATEMENTS
IN THE JURISDICTION OF WILBARGER COUNTY, TEXAS**

Depu

STATE OF TEXAS }

COUNTY OF WILBARGER }

WHEREAS, the Property Redevelopment and Tax Abatement Act (the "Act"), Chapter 312 of the Texas Tax Code, authorizes counties, cities, and other taxing units to provide temporary property tax abatement for limited periods of time as an inducement for the development or redevelopment of a property; and,

WHEREAS, the Act further requires that in order to become eligible to participate in tax abatement, a county or other taxing unit must adopt guidelines and criteria for property tax abatement agreements; and,

WHEREAS Wilbarger County adopted Amended and Restated Guidelines and Criteria for Granting Tax Abatements on April 27, 2015, and re-adopted the same guidelines and criteria on August 17, 2017 and November 23, 2020 (the "Guidelines and Criteria"); and,

WHEREAS, the Commissioners Court of Wilbarger County desires to adopt the revised 2022 Guidelines and Criteria for Granting Tax Abatements and Reinvestment Zones in this resolution and order.

NOW, THEREFORE, BE IT ORDERED, by the Commissioners Court of Wilbarger County, that the County **ORDERS** adoption and authorization of the revised 2022 Guidelines and Criteria for Granting Tax Abatements and Reinvestment Zones attached hereto as Exhibit A in accordance with the requirements of the Act.

The foregoing Resolution was lawfully moved by Josh Patterson, duly seconded by Scott English, and duly adopted by the Wilbarger County Commissioner's Court, the 14th day of NOV, 2022.

*Greg Tyra*GREG TYRA
County Judge*Billy Taylor*Billy Taylor
Commissioner Precinct 1*Scott English*Scott English
Commissioner Precinct 3*Phillip Graf*Phillip Graf
Commissioner Precinct 2*Josh Patterson*Josh Patterson
Commissioner Precinct 4**ATTEST:***Jana Kennon*Print Name: Jana Kennon
Wilbarger County Clerk



Exhibit A

2022 Guidelines and Criteria for Granting Tax Abatements and Reinvestment Zones



2022 Guidelines & Criteria For Granting Tax Abatements And Reinvestment Zones

Wilbarger County, Texas

Preamble

Pursuant to Chapter 312 of the Texas Tax Code, Wilbarger County may consider an application for tax abatement, Designate a reinvestment zone and enter into a tax abatement agreement as provided in these Guidelines and Criteria.

I. Abatement Application Procedure

(a) **Who May Apply.** Any present or potential owner or lessee of taxable property in Wilbarger County may submit an application for tax abatement conforming to the requirements outlined herein.

(b) **Eligible Property.** Abatement may only be granted for the following property constructed or otherwise put in place after the effective date of the tax abatement agreement: new, expanded or modernized buildings and structures, fixed machinery and equipment; site improvements; related fixed improvements; other tangible items necessary to the operation and administration of the project or facility; and all other real and tangible personal property permitted by Chapter 312 of the Texas Tax Code. Property owned or leased by any member of the Commissioners Court may not be subject to a tax abatement agreement.

(c) **Application Provisions.** The application shall consist of a completed Wilbarger County Tax Abatement Application Form, which shall contain the following:

(1) information showing how the project meets the requirements of the criteria outlined in Section II below;

(2) a map and description of the property;

(3) a time schedule for completing the planned improvements;

(4) the estimated taxable value or range of values of the project or facility; and

(5) basic financial information about the principles sufficient to enable evaluation of the applicant's financial capacity.

(6) the application shall be accompanied by an application fee of \$1,000.00 payable to Wilbarger County.

(d) **Procedure for Application Consideration.** The procedure for consideration by the County of a Tax Abatement Application is as follows:

(1) An applicant may request a Tax Abatement Application from the County Judge's Secretary.



(2) After an applicant completes the Tax Abatement Application, applicant provides a copy to each member to the Wilbarger County Commissioners Court and the County Judge's Secretary.

(3) After receipt of an application, the Commissioners Court determines within forty-five (45) days how to proceed with the application. The Commissioners Court shall choose either to deny the application, consider the application, or consider the application on an expedited basis.

(A) Denial of application. If the Commissioners Court chooses to deny the application, it shall make a finding by majority vote at a regularly scheduled meeting that the application does not meet the requirements of the criteria provided below in Section II;

(B) Consideration of application. If the Commissioners Court determines that the application should be further considered, the County Judge shall schedule a hearing to obtain public input on the application. Prior to the hearing, the County must send written notice to the presiding officers of all taxing units with jurisdiction over the property for which an abatement is sought, post notice of the hearing, and publish notice of the hearing time, place and subject in the local newspaper to the extent and in the manner required by the Texas Tax Code or other applicable law. At the hearing, the Commissioners Court evaluates the application against the criteria in Section II and decides whether to designate the property for which the abatement is sought as a reinvestment zone. If the reinvestment zone is not designated, the application fails, although it may be amended and resubmitted. If the reinvestment zone is designated, the Commissioners Court shall pass an order to that effect and may then arrange to consider for approval the tax abatement agreement between the applicant and the county at its next regularly scheduled meeting. At least seven days prior to entering into a tax abatement agreement, the County must give written notice of its intent to do so to the presiding officers of all taxing units with jurisdiction over the property for which abatement is sought, along with a copy of the proposed tax abatement agreement. At the regularly scheduled meeting, the Commissioners Court may finally vote by simple majority to enter into the tax abatement agreement or to decline the application. An approved tax abatement agreement may be executed in the same manner as other contracts made by the county.

(C) Confidentiality. As required by Section 312.003 of the Texas Tax Code, information that is provided to Wilbarger County in connection with an application or request for tax abatement under this chapter and that describes the specific processes or business activities to be conducted or the equipment or other property to be located on the property for which tax abatement is sought is confidential and not subject to public disclosure until the tax abatement agreement is executed.

II. Criteria for Designating a Reinvestment Zone

(a) Minimum Requirement. To be designated a reinvestment zone, County Commissioners must find by majority vote that the property for which the abatement is sought would contribute to the retention or expansion of primary employment or would attract major investment in the zone that would be a benefit to the property to be included in the zone and would contribute to the economic development of the county as provided in section 312.401(b) of the Texas Tax Code.

(b) Criteria. In determining whether to designate a reinvestment zone and whether to enter into a tax abatement agreement, the Commissioners Court shall consider the following factors, among others determined appropriate by the Court:

- (1) value of land and existing improvements, if any;
- (2) type and value of proposed improvements;
- (3) productive life of proposed improvements;



- (4) number of existing jobs to be retained by proposed improvements.
- (5) number and type of new jobs, if any, to be created by proposed improvements;
- (6) costs to be incurred by Wilbarger County, if any, to provide facilities or services directly resulting from the new improvements;
- (7) types and values of public improvements, if any, to be made by applicant seeking abatement;
- (8) the amount of ad valorem property taxes to be paid to Wilbarger County after expiration of the abatement agreement;
- (9) the impact on the business opportunities of existing businesses and the attraction of new businesses to the area, if any; and
- (10) the overall compatibility with the zoning ordinances and comprehensive plan, if any, for the area.

III. Format for Tax Abatement Agreement

(a) **Required Provisions.** If the Wilbarger County Commissioners Court designates a reinvestment zone, it may consider and execute a true abatement agreement with the owner of the designated property and lessee, as appropriate, as outlined above. Any true abatement agreement shall include at least the following:

- (1) the kind, number and location of all proposed improvements of the property;
- (2) provisions allowing for reasonable access to the property for initial and intermittent inspection purposes by County employees or designated representatives to ensure improvements are made in compliance with the agreement;
- (3) provisions limiting the use of the property consistent with the general purpose of encouraging development or redevelopment of the area during the period of abatement;
- (4) provisions for recapturing property tax revenue lost as a result of the agreement if the owner of the property fails to make the improvements or repairs as provided in the agreement;
- (5) each term agreed to by the recipient of the abatement;
- (6) a requirement that the abatement recipient certify its compliance with the agreement annually to the County; and
- (7) provisions allowing the County to cancel or modify the agreement if the recipient is out of compliance with the agreement.

(b) **Optional Provisions.** The tax abatement agreement may also contain any or all of the following items, in addition to any others deemed appropriate by the contracting parties:

- (1) the estimated taxable value or range of values for which taxes are to be abated;
- (2) percent of value to be abated each year;
- (3) the commencement and termination dates of the abatement;
- (4) proposed use of the property;
- (5) nature of construction, time schedule, map and property description;
- (6) contractual obligations in the event of default or violation of terms or conditions;
- (7) size of investment and number of temporary and permanent jobs involved, if any;
- (8) provisions for dispute resolution.

(c) **Duration and Portion of Abatement.** A true abatement agreement granted by Wilbarger County shall be up to but not exceeding ten (10) years in duration and up to but not exceeding 100% in portion of ad valorem property taxes abated.



- (d) **Time Limit.** Such agreement shall be executed within 30 days after passage of the resolution approving the agreement, unless the County and the applicant mutually agree otherwise.

IV. Administration of Tax Abatement Agreement

(a) **Inspections.** County employees or their designated representatives shall have reasonable access to the property for initial and intermittent inspection purposes in order to ensure that the improvements or repairs are made according to the specifications and conditions of the agreement.

(b) **Cure Provisions.** Should Wilbarger County determine that the company or individual receiving the abatement is in default of the tax abatement agreement, it shall notify the company or individual of such default in writing at the address specified in the agreement, and if such is not cured within sixty (60) days of notice, the agreement may be terminated by the County.

(c) **Modification and Termination.** At any time before the expiration of a tax abatement agreement, an agreement may be modified by the parties to include other provisions that could have been included in the original agreement or to delete provisions that were not necessary to the original agreement. The modification must be made by the same procedure by which the original agreement was made. An agreement may also be terminated by the mutual consent of the parties in the same way the agreement was made, or by other means as agreed by the parties according to the provisions of the agreement.

V. Transfer or Assignment

Tax abatements may be assigned to a new owner or lessee of the facility with the written consent of the Commissioners Court. Any assignment shall provide that the assignee shall irrevocably and unconditionally assume all the duties and obligations of the assignor upon the same terms and conditions as set out in the agreement. Any assignment of a tax abatement agreement shall be to an entity that contemplates the same improvements or repairs to the project, except to the extent such improvements or repairs have been completed. No assignment shall be approved if the assignor or the assignee is indebted to the County for ad valorem taxes or other obligations.

VI. Variances from Guidelines and Criteria

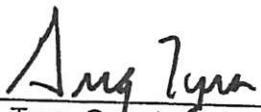
The Commissioners Court shall have the authority to enter into an abatement agreement with terms and conditions that vary from the terms and conditions in these guidelines and criteria so long as the Commissioners Court determines that such variances are in the best interests of the County. Any terms or conditions contained in an abatement agreement approved by the Commissioners Court that vary from the terms and conditions in these guidelines and criteria shall automatically be deemed to have been granted an approved variance by the Commissioners Court and shall be binding and enforceable as agreed to in the abatement agreement.



VI. Sunset and Amendment of Guidelines and Criteria

These Guidelines and Criteria are effective upon the date of their adoption and will remain in force for two years, unless amended by three-fourths vote of the Wilbarger County Commissioners Court.

Passed and approved at a regular meeting of the Wilbarger County Commissioners' Court, at which a quorum was present on the 14th day of Nov, 2022.



Greg Tyra, County Judge



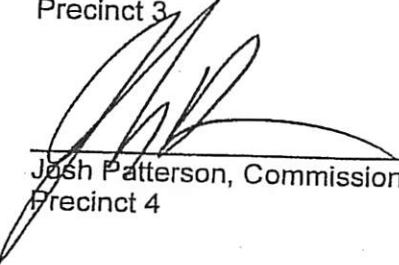
Billy Taylor, Commissioner,
Precinct 1



Phillip Graf, Commissioner,
Precinct 2



Scott English, Commissioner,
Precinct 3



Josh Patterson, Commissioner,
Precinct 4



Attachment C

Description of the Site.

REINVESTMENT ZONE



PARCELS IN REINVESTMENT ZONE INCLUDE:

Owner Name	Legal Description
CLAY AND STEPHANIE STEWART	ABST 896 BLK 14 H&TC SEC 14



Attachment D**LOCAL OUTREACH PLAN**

A. In connection with the preparation, construction and operation of the Improvements in Wilbarger County, Owner and its agents shall make a good faith attempt to:

1. Utilize Wilbarger County individuals and businesses for materials, labor and services, provided that nothing in this paragraph shall require Owner to use services and supplies that are not of similar quality to those provided by residents of businesses outside of Wilbarger County or are not made available on terms and/or at prices comparable to those offered by residents or businesses outside of Wilbarger County; provided further, the County recognizes that the Project includes certain specialized data center equipment and related installation services, some or all of which may not be available from County individuals and businesses.
2. In filling positions of employment connected with the Project, Owner and its contractors and agents shall make a good faith effort to employ individuals who reside within the borders of Wilbarger County; provided, nothing in this paragraph shall require Owner or its contractors or agents to employ Wilbarger County residents who are not (i) equally or more qualified than nonresidents; or (ii) are not available for employment on terms and/or at salaries comparable to those required by nonresidents; provided further, the County recognizes that some or all jobs related to Project data center operations may require specialized skills not found in County resident applicants.

