

THIRD AMENDMENT TO EFFLUENT OPTION AGREEMENT

THIS THIRD AMENDMENT TO WASTEWATER EFFLUENT OPTION AGREEMENT (“Third Amendment”) is made and entered into this ____ day of April, 2026 (“Effective Date”) by and between, Teraplex Data Centers, LLC (“Developer”), a Virginia limited liability company, and the CITY OF GALLUP (the “City”), a New Mexico home rule municipal corporation.

RECITALS

WHEREAS, as of July 25, 2023, City and Coles Gray, LLC, a Florida limited liability company (“Coles Gray”) entered into that certain Effluent Option Agreement (“Option Agreement”), a true and complete copy of which is attached to and incorporated in this Third Amendment as Exhibit A; and

WHEREAS, on July 25, 2024, Coles Gray and the City agreed to amend the Option Agreement in accordance with the terms of an Amendment to Effluent Option Agreement, a true and complete copy of which is attached to and incorporated in this Third Amendment as Exhibit B (the “First Amendment”); and

WHEREAS, on August 7, 2025, Coles Gray and the City agreed to amend the Option Agreement in accordance with the terms of a Second Amendment to Effluent Option Agreement, a true and complete copy of which is attached to and incorporated in this Third Amendment as Exhibit C (the “Second Amendment”); and

WHEREAS, pursuant to an Assignment and Assumption Agreement dated as of March 6, 2026 (a true and complete copy of which (with certain redactions) is attached hereto as Exhibit D), Coles Gray irrevocably and unconditionally assigned, transferred and delivered all of its rights and title in, to and under the Option Agreement, as amended, to Developer; and

WHEREAS, the City and Developer upon due consideration and with the objective of continuing the Option Agreement as fully effective have determined to further amend the Option Agreement as set forth below;

NOW, THEREFORE, in consideration of the foregoing Recitals and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties agree as follows:

1. Payment by Developer to City: This Third Amendment shall be effective if, and only if, Developer pays the City the sum of Five Thousand and 00/100 Dollars (\$5,000.00) in collected funds by or before _____, 2026.

2. Amendment of Recital A of Option Agreement: Recital A of the Option Agreement is hereby amended and restated in its entirety as follows:

Developer intends to acquire approximately 330 acres of land located in the City and additional adjacent or related properties (collectively, the “Property”); and

3. Amendment of Recital C of Option Agreement: Recital C of the Option Agreement is hereby amended and restated in its entirety as follows:

Developer desires to purchase Effluent from City for industrial and commercial uses that will provide economic benefits to City and surrounding areas, including at a data center (the “Complex”) planned for the Property, and City desires to sell Effluent to Developer for such uses; and

4. Amendment to Paragraphs 1.A., 1.B. and 1.C. of Option Agreement: Paragraphs 1.A., 1.B. and 1.C. of the Option Agreement are hereby amended and restated in their entirety as follows:

A. Purchase of Property: City may terminate this Option Agreement if Developer does not take fee title to the Property within four (4) years following the Effective Date. City must exercise its right of termination under this Paragraph 1.A., if at all, within fifteen (15) days following the four (4) year anniversary of the Effective Date.

B. Construction of Complex and System: City may terminate this Option Agreement if Developer does not commence construction of the Complex at and on the Property and the System addressed in Paragraph 5 below within five (5) years following the Effective Date. City must exercise its right of termination under this Paragraph 1.B., if at all, within fifteen (15) days following the five (5) year anniversary of the Effective Date.

C. Take or Pay Obligation: City may terminate this Option Agreement if, beginning at the commencement of the seventh (7th) year following the Effective Date and in each year thereafter during the term of this Option Agreement, Developer does not purchase and take at least one-third (33.33%) of the Guaranteed Amount (as defined in Paragraph 3 below) for use at the Complex, and/or pay for the equivalent of at least one-third (33.33%) of the Guaranteed Amount (the “Take or Pay Obligation”). City must exercise its right of termination under this Paragraph 1.C., if at all, within fifteen (15) days following the end of a year in which Developer has failed to comply with its Take or Pay Obligation.

5. Amendment to Paragraph 2 of Option Agreement: Paragraph 2 of the Option Agreement is hereby amended and restated in its entirety as follows:

Purchase Price of Effluent. The initial purchase price for Effluent shall be based on the Reclaimed Wastewater Charge published in the FY26 City of Gallup Utility Rate Schedule (attached as Exhibit E), and shall remain in effect for fifteen (15) years following the Effective Date. Thereafter, the purchase price will be adjusted in accordance with the Reclaimed Wastewater Charge published in the 2041 City of Gallup Utility Rate Schedule, which price shall remain in effect for the duration of the Initial Term (defined below in Paragraph 4), and if extended, for the duration of the Extension Term (defined below in Paragraph 4).

6. Amendment to Paragraph 3 of Option Agreement: Paragraph 3 of the Option Agreement is hereby amended and restated in its entirety as follows:

Quantity of Effluent. In accordance with Paragraph 1 above, Developer is hereby granted the right to purchase Effluent from the City in an amount up to ONE HUNDRED NINE MILLION, FIVE HUNDRED THOUSAND (109,500,000) gallons per the City's fiscal year (starting July 1 and ending June 30, the "Fiscal Year") (approximately THREE HUNDRED THIRTY SIX (336) acre-feet per Fiscal Year) (the "Guaranteed Amount"). The Guaranteed Amount is an annual quantity; any portion of the Guaranteed Amount Developer does not purchase during a Fiscal Year will not be added to or otherwise available for purchase in any succeeding Fiscal Year. Developer understands and acknowledges that the City has other commitments for the use and purchase of Effluent from the Plant, including for City purposes. Consistent with that acknowledgment and those commitments, Developer will be offered the opportunity to purchase any portion of the Effluent not consumed by City or others above the Guaranteed Amount. Such purchases, if any, will occur pursuant to the terms of this Option Agreement, including its price terms. The Parties agree that nothing in this Paragraph 3 requires Developer to purchase any amount of Effluent beyond the amount stated in Paragraph 1.C. above; provided, however, the Parties further agree that should Developer decline to purchase the Guaranteed Amount or any portion thereof during a fiscal year, the City will be free to sell or use the unpurchased portion. To facilitate the foregoing agreements, Developer shall, within fifteen (15) days following the start of the seventh (7th) Fiscal Year following the Effective Date and within fifteen (15) days following the start each Fiscal Year thereafter during the term of this Option Agreement, provide the City with written notice, pursuant to Paragraph 9 below, of the amount of Effluent it will purchase and take during the coming Fiscal Year, up to and including the Guaranteed Amount (the "Yearly Call Amount"). Upon receipt of such notice, the City will reserve and hold the Yearly Call Amount for purchase by and delivery to Developer during the coming Fiscal Year and, if the Yearly Call Amount is below the Guaranteed Amount, will be entitled to use or sell the remaining amount during the coming Fiscal Year. Purely by way of example, if the Developer gives notice of a Yearly Call Amount equal to 200 acre feet, the City will reserve and hold that amount for purchase and delivery to the Developer during the Fiscal Year, and will be entitled to sell or use the remaining 136 acre feet comprising the Guaranteed Amount.

7. Continuation of Option Agreement: Except as expressly amended by Paragraphs 1 through and including 6 above, the Option Agreement is and shall remain in full force and effect in accordance with its terms and conditions.

EXECUTED BY THE PARTIES as of the Effective Date.

Teraplex Data Centers LLC

City of Gallup

By: _____
Its: _____

By: _____
Its: _____

Attest: _____
City Clerk

EXHIBIT A
Effluent Option Agreement

EXHIBIT B
Amendment to Effluent Option Agreement

EXHIBIT C
Second Amendment to Effluent Option Agreement

EXHIBIT D
Assignment and Assumption Agreement

EXHIBIT E
FY26 City of Gallup Utility Rate Schedule