

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS, APPROVING THE TERMS AND CONDITIONS OF A PROGRAM TO PROMOTE LOCAL ECONOMIC DEVELOPMENT AND STIMULATE BUSINESS AND COMMERCIAL ACTIVITY IN THE CITY; AUTHORIZING THE CITY MANAGER TO FINALIZE AND EXECUTE AN ECONOMIC DEVELOPMENT PROGRAM CHAPTER 380 AGREEMENT FOR SUCH PURPOSES BY AND BETWEEN THE CITY OF MESQUITE AND HITHIUM TECH USA, INC.; AND AUTHORIZING THE CITY MANAGER TO TAKE SUCH ACTIONS AND EXECUTE SUCH DOCUMENTS AS ARE NECESSARY OR ADVISABLE TO CONSUMMATE THE TRANSACTIONS CONTEMPLATED BY THE AGREEMENT, AND ADMINISTER THE AGREEMENT ON BEHALF OF THE CITY.

WHEREAS, Chapter 380 of the Texas Local Government Code authorizes the City of Mesquite, Texas, a Texas Home Rule Municipality (the “**City**”), and other municipalities to establish and provide for the administration of programs that promote local economic development and stimulate business and commercial activity; and

WHEREAS, the City Council has been presented with a proposed Chapter 380 agreement providing economic incentives to Hithium Tech USA, Inc., a Texas corporation (the “**Company**”), for the lease and occupation of a newly constructed facility (Building 5), approximately 483,874-square-foot building that sits on an approximately 27.494-acre tract, owned by SRPF C/Trinity Pointe Phase I, LP, and located at 12905 FM 2932 in the 20 East Trinity Pointe Business Park in Mesquite, Kaufman County, Texas (the “**Property**”), a copy of said agreement being attached hereto as Exhibit 1 and incorporated herein by reference (the “**Agreement**”); and

WHEREAS, the proposed Agreement requires the Company to make a capital investment of at least \$80 million in the facility and business personal property (“**BPP**”) at the facility, plus an additional \$4,000,000 for power grid upgrades, plus an additional \$16,000,000 for equipment for operation, lease 100% of the facility for a minimum of 10 years, begin operations by March 31, 2025, and meet employment thresholds to qualify for an incentive of 50% of real property taxes paid to the City and another incentive of 75% of BPP taxes paid to the City for 10 years with not-to-exceed maximum incentives in place of \$1,500,000 or \$2,500,000 depending on Company’s performance; and

WHEREAS, the City would like to encourage the lease, occupation and operation of Company’s business of and at the Property by granting certain economic development incentives to the Company provided in the Agreement; and

WHEREAS, such use of the Property will increase the taxable value of the Property thereby adding value to the City’s tax rolls and increasing the ad valorem property taxes to be collected by the City, along with increasing employment opportunities in the City; and

WHEREAS, after holding a public hearing and upon full review and consideration of the Agreement and all matters attendant and related thereto, the City Council is of the opinion that the Agreement will assist in implementing a program whereby local economic development will be promoted, and business and commercial activity will be stimulated in the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS:

SECTION 1. That the City Council finds that the terms of the proposed Agreement by and between the City and the Company, a copy of which is attached hereto as Exhibit 1 and incorporated herein by reference, will benefit the City and will accomplish the public purpose of promoting local economic development and stimulating business and commercial activity in the City in accordance with Section 380.001 of the Texas Local Government Code.

SECTION 2. That the City Council hereby adopts an economic development program whereby, subject to the terms and conditions of the Agreement, the City will provide economic development incentives to the Company and take other specified actions as more fully set forth in the Agreement in accordance with the terms and subject to the conditions outlined in the Agreement.

SECTION 3. That the terms and conditions of the Agreement, having been reviewed by the City Council and found to be acceptable and in the best interest of the City and its citizens, are hereby approved.

SECTION 4. That the City Manager is hereby authorized to finalize and execute the Agreement and all other documents necessary to consummate the transactions contemplated by the Agreement.

SECTION 5. That the City Manager is further hereby authorized to administer the Agreement on behalf of the City including, without limitation, the City Manager shall have the authority to: (i) provide any notices required or permitted by the Agreement; (ii) approve amendments to the Agreement provided such amendments, together with all previous amendments approved by the City Manager, do not increase City expenditures under the Agreement in excess of \$100,000; (iii) approve or deny any matter in the Agreement that requires the consent of the City provided, however, notwithstanding the foregoing, any assignment of the Agreement that requires the consent of the City pursuant to the terms of the Agreement shall require the approval of the City Council; (iv) approve or deny the waiver of performance of any covenant, duty, agreement, term or condition of the Agreement; (v) exercise any rights and remedies available to the City under the Agreement; and (vi) execute any notices, amendments, approvals, consents, denials and waivers authorized by this Section 5 provided, however, notwithstanding anything contained herein to the contrary, the authority of the City Manager pursuant to this Section 5 shall not include the authority to take any action that cannot be delegated by the City Council or that is within the City Council's legislative functions.

SECTION 6. That the sections, paragraphs, sentences, clauses, and phrases of this Resolution are severable and, if any phrase, clause, sentence, paragraph, or section of this Resolution should be declared invalid, illegal, or unenforceable by the final judgment or decree of

July 15, 2024

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any court of competent jurisdiction, such invalidity, illegality, or unenforceability shall not affect the validity, legality, or enforceability of any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Resolution and such remaining provisions shall remain in full force and effect and shall be construed and enforced as if the invalid, illegal, or unenforceable provision had never been included in this Resolution.

DULY RESOLVED by the City Council of the City of Mesquite, Texas, on the 15th day of July 2024.

Daniel Alemán, Jr.
Mayor

ATTEST:

APPROVED AS TO LEGAL FORM:

Sonja Land
City Secretary

David L. Paschall
City Attorney

ECONOMIC DEVELOPMENT PROGRAM AGREEMENT**(Chapter 380 Agreement; Hithium Tech USA Inc.)**

This Economic Development Program Agreement (“**Agreement**”) is made and entered into by and between the City of Mesquite, a Texas home rule municipality (the “**City**”) and Hithium Tech USA Inc., a domestic for-profit corporation authorized to do business in Texas (the “**Company**”).

W I T N E S S E T H:

WHEREAS, all capitalized terms used herein shall have the meanings set forth in this Agreement; and

WHEREAS, SRPF C/Trinity Pointe Phase I, LP, a Texas limited partnership (“**Landlord**”), is the owner of that certain tract of real property located in the City of Mesquite, Texas, consisting of approximately 27.494 acres and being commonly known as 12905 FM 2932, Mesquite, Texas 75126, and more particularly described in **Exhibit A**, attached hereto and incorporated herein for all purposes (the “**Land**”); and

WHEREAS, the Landlord has constructed an industrial building containing approximately 483,874 square feet of floor space on the Land known as “Building 5” (the “**Building**”); and

WHEREAS, the Land and Building are hereinafter sometimes collectively referred to as the “**Mesquite Facility**”; and

WHEREAS, the Company is a manufacturer of stationary energy storage products for energy project developers used for facilities such as hospitals, schools, municipal grids (energy backup), and other commercial and industrial customers (the “**Company’s Business**”); and

WHEREAS, the Company has determined to locate its 10th site in the Dallas-Fort Worth area at the Mesquite Facility; and

WHEREAS, conducting Company’s Business at the Mesquite Facility will result in the addition of leasehold and real property improvements to the Building, resulting in an increase in the taxable value of the Building and an increase in the ad valorem real property taxes assessed and collected by the City; and

WHEREAS, it is anticipated that the Company will make initial Capital Investments in the amount of at least \$80,000,000.00 to be used in the operation of the Company’s Business at the Mesquite Facility, plus an additional \$4,000,000 for power grid upgrades, plus an additional \$16,000,000 for equipment for operations, resulting in an increase in the taxable value of the Building located at the Mesquite Facility and an increase in the ad valorem Land and Business Personal Property taxes assessed and collected by the City; and

WHEREAS, the Company has advised the City that a principal factor inducing the Company to locate to the Mesquite Facility and to agree to develop at least 483,874 square feet and occupy 100% of the Building for a ten year lease during the Incentive Period is the agreement by the City to provide the Economic Development Incentives (as hereinafter defined) to the Company under the terms and conditions more fully set forth in this Agreement; and

WHEREAS, the City has established an Economic Development Program pursuant to Section 380.001 of the Texas Local Government Code and authorizes this Agreement as part of that Economic Development Program (the “**Program**”); and

WHEREAS, the Company desires to participate in the Program by entering into this Agreement; and

WHEREAS, the City Council finds and determines that this Agreement will effectuate the purposes set forth in the Program, and that the Company’s performance of its obligations herein will promote local economic development in the City, increase employment opportunities in the City, stimulate business and commercial activity in the City, increase the amount of Ad Valorem Taxes assessed and collected by the City and benefit the City and its citizens.

NOW, THEREFORE, in consideration of the mutual benefits and promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and confessed, the Parties agree as follows:

ARTICLE I

Incorporation of Recitals

The foregoing recitals (“**Recitals**”), and the capitalized terms used therein, are incorporated into the body of this Agreement and shall be considered part of the mutual covenants, consideration and promises that bind the Parties.

ARTICLE II

Definitions

As used herein, the following terms shall have the following meanings, to-wit:

“**Ad Valorem Taxes**” shall mean those real property and tangible personal property taxes authorized, adopted, imposed or collected by or on behalf of the City pursuant to §11.01 of the Texas Tax Code, as amended or replaced.

“**Affiliate**” shall mean any other Person directly controlling, or directly controlled by or under direct common control with the Company. As used in this definition, the term “control,”

“controlling” or “controlled by” shall mean the possession, directly, of the power either to (i) vote fifty percent (50%) or more of the securities or interests having ordinary voting power for the election of directors (or other comparable controlling body) of the Company, or (ii) direct or cause the direction of management or policies of the Company, whether through the ownership of voting securities or interests, by contract or otherwise, excluding in each case, any lender of the Company or any affiliate of such lender.

“**Agreement**” shall mean this Agreement together with all exhibits, if any, attached hereto.

“**Building**” shall have the meaning set forth in the Recitals to this Agreement.

“**Business Personal Property**” shall mean moveable items of personal property owned by the Company and used in the Company’s ordinary course of business which are located at the

Mesquite Facility but are not permanently affixed to, or part of, the Land or Building and shall consist of machinery, equipment, rack shelving, furniture, computers, vehicles (but only if such vehicles are licensed and registered in Dallas County, Texas), and Taxable Inventory provided such items, other than Taxable Inventory, are considered capital assets under generally accepted accounting principles.

“Capital Improvements” means new improvements, renovations, replacements, upgrades and other alterations, changes and modifications to the Mesquite Facility commenced after the Effective Date including, without limitation, tenant finish out of the space leased by the Company in the Building and intended to result in increased property values and sales taxes and purchases of Business Personal Property placed on site at the Mesquite Facility.

“Capital Investment” means expenditures on Capital Improvements (excluding land acquisition costs) by the Company at the Mesquite Facility.

“Certificate of Compliance” shall mean a certificate in such form as is reasonably acceptable to the City executed on behalf of the Company by a duly authorized Company Representative certifying to the City: (i) that all Conditions Precedent have been satisfied and are then continuing; and (ii) that no Company Default then exists under the terms of this Agreement and that no event exists which, but for notice, the lapse of time, or both, would constitute a Company Default under the terms of this Agreement.

“Certificate of Investment” shall mean a sworn statement, by an authorized officer of the Landlord or Company, as applicable, attesting to the amount of any investment or expenditure required by this Agreement, accompanied by such documentation as the City may require to evidence the investment or expenditure.

“Certificate of Occupancy” shall mean a final certificate of occupancy issued by the City to the Company authorizing the Company to occupy one hundred percent (100%) of the Building.

“City” shall mean the City of Mesquite, a Texas home rule municipality.

“City Default” shall have the meaning set forth in Article VIII, Section 1 of this Agreement.

“Company” is defined in the introductory paragraph of this Agreement.

“Company’s Business” shall have the meaning set forth in the Recitals of this Agreement.

“Company Default” shall have the meaning set forth in Article VIII, Section 1 of this Agreement.

“Company Representative” shall mean the Chief Executive Officer, Chief Financial Officer or any other duly authorized officer of the Company acting on behalf of the Company.

“Condition Precedent” and **“Conditions Precedent”** shall have the meanings set forth in Article VI of this Agreement.

“Economic Development Incentive(s)” shall mean the incentive(s) described in Article VII of this Agreement.

“Economic Development Incentives Maximum” shall have the meaning described in Article VII of this Agreement.

“Effective Date” shall mean the date the Company and the City execute this Agreement if the Company and the City execute this Agreement on the same date. If the Company and the City execute this Agreement on different dates, any reference to the **“Effective Date”** shall mean the later of the dates this Agreement is executed by the Company and the City.

“Employee” shall mean a full-time, direct employee of the Company, working a minimum of thirty-five (35) hours per week and entitled to at least the customary employer-sponsored benefits package afforded by the Company to its similarly situated employees at other locations. Each Employee shall be employed in a position physically based at the Mesquite Facility and reported on the Texas Employers Quarterly Wage Report from the Texas Workforce as employed in Mesquite. Employee shall not include employees of Company’s subcontractors or vendors, whether working at the Mesquite Facility or otherwise. “Employee” shall include any replacement of a former Employee whose employment is terminated for any reason, with such original Employee and any replacement employee counting as one (1) Employee for purposes of the calculations in this Agreement. “Employee” shall also mean employees transferred to the Mesquite Facility from the Company’s or its Affiliates’ locations other than the Mesquite Facility.

“Event of Bankruptcy or Insolvency” shall mean the dissolution or termination of a Party’s existence as a going business, insolvency, appointment of a receiver for any part of such Party’s property and such appointment is not terminated within ninety (90) days after such appointment is initially made, any general assignment for the benefit of creditors, the voluntary commencement of any proceeding under any bankruptcy or insolvency laws by any Party, or the involuntary commencement of any proceeding against any Party under any bankruptcy or insolvency laws and such involuntary proceeding is not dismissed within ninety (90) days after the filing thereof.

“Incentive Payment” and **“Incentive Payments”** shall mean Economic Development Incentive(s) to be paid by the City to the Company pursuant to the terms and subject to the conditions and limitations set forth in this Agreement to provide economic development grants to the Company for the Incentive Period.

“Incentive Period” shall mean the period commencing with the Effective Date of this Agreement and continuing until the earlier of: (i) December 31, 2034, being ten (10) Incentive Tax Years, or (ii) the date this Agreement is terminated by the City or the Company pursuant to a right to terminate more fully set forth herein.

“Incentive Tax Year” shall mean the period consisting of three hundred and sixty five (365) calendar days [or three hundred and sixty six (366) calendar days for any calendar year that is a leap year] beginning on January 1, 2025, and ending on December 31, 2025, and continuing on January 1st and ending on December 31st of each calendar year thereafter during the Incentive Period.

“Land” shall have the meaning set forth in the Recitals to this Agreement.

“Landlord” shall mean SRPF C/Trinity Pointe Phase I, LP, its successors and assigns.

“**Lease**” shall mean that certain Lease Agreement executed by the Company and the Landlord relating to the right and obligation of the Company to occupy the Building and satisfying the Lease Requirement.

“**Lease Requirement**” shall have the meaning set forth in Article VI of this Agreement.

“**Maximum Lawful Rate**” shall mean the maximum lawful rate of non-usurious interest that may be contracted for, charged, taken, received or reserved by the City in accordance with the applicable laws of the State of Texas (or applicable United States federal law to the extent that such law permits the City to contract for, charge, take, receive or reserve a greater amount of interest than under Texas law).

“**Mesquite Facility**” shall have the meaning set forth in the Recitals in this Agreement.

“**Minimum Taxable Valuations**” shall mean the Business Personal Property and/or real property taxable value of the Land as appraised by the applicable county appraisal district for the year 2026.

“**Parties**” shall mean the Company and the City.

“**Party**” shall mean either the Company or the City.

“**Payment Request**” shall mean a written request executed by the Company and delivered to the City’s Director of Finance requesting the payment of an Economic Development Incentive.

“**Person**” or “**Persons**” shall mean one or more individual(s) or corporation(s), general or limited partnership(s), limited liability company(s), trust(s), estate(s), unincorporated business(es), organization(s), association(s) or any other entity(s) of any kind.

“**Program**” shall have the meaning set forth in the Recitals to this Agreement.

“**Recitals**” shall have the meaning set forth in Article I of this Agreement.

“**Taxable Inventory**” shall mean taxable merchandise and supplies owned by the Company and located at the Mesquite Facility and shall include raw materials, work-in-process and finished goods but shall specifically exclude goods in transit, freeport goods and merchandise, supplies, materials or other goods that are non-taxable.

“**Term**” shall have the meaning set forth in Article IV of this Agreement.

“**Undocumented Workers**” shall mean individuals who, at the time of employment with the Company, are not: (i) lawfully admitted for permanent residence to the United States or are not authorized under law to be employed in that manner in the United States; and (ii) such other Persons as are included within the definition of undocumented workers pursuant to 8 U.S.C. § 1324a (f) or any other applicable law or regulation.

“**Wage(s)**” shall mean the annual, taxable compensation of each Employee, not including benefits or employer costs, and as reported on such Employee’s final Form W-2 or as may be verified

by Company's Texas Employers Quarterly Reports filed with the Texas Workforce or the Company's federal employer payroll tax form 941 or form 940.

ARTICLE III

Authority for Agreement

This Agreement is authorized by Article III, Section 52-a of the Texas Constitution and Chapter 380 of the Texas Local Government Code. The City Council finds and determines that this Agreement will effectuate the purposes set forth in the Program and that the Company's performance of its obligations herein will increase the amount of Ad Valorem and Business Personal Property Taxes assessed and collected by the City, result in employment opportunities being created and maintained in the City, promote local economic development in the City, stimulate business and commercial activity in the City, and benefit the City and its citizens.

ARTICLE IV

Term

This Agreement shall be effective as of the Effective Date of this Agreement, and shall continue thereafter until **June 30, 2035**, unless terminated sooner under the provisions hereof. Notwithstanding the foregoing, in the event this Agreement is not fully executed within sixty (60) days after approval by the City Council of the City of Mesquite, Texas, then this Agreement shall be null and void, and shall have no effect on either Party. This Agreement may be terminated by the City if any subsequent federal or state legislation or any decision of a court of competent jurisdiction declares or renders this Agreement, or any part thereof, invalid, illegal or unenforceable (the "**Term**").

ARTICLE V

Company's Covenant Not to Employ Undocumented Workers

1. Covenant Not to Employ Undocumented Workers. The Company hereby certifies that the Company and each branch, division, and department of the Company does not employ any Undocumented Workers and the Company hereby covenants and agrees that the Company and each branch, division and department of the Company will not knowingly employ any Undocumented Workers during the Term of this Agreement.

2. Covenant to Notify City of Conviction for Undocumented Workers. The Company further hereby covenants and agrees to provide the City with written notice of any conviction of the Company, or any branch, division or department of the Company, of a violation under 8 U.S.C. § 1324a (f) within thirty (30) days from the date of such conviction.

3. Repayment of Economic Development Incentives in Event of Conviction for Employing Undocumented Workers. Notwithstanding any other provision of this Agreement, if, after receiving any Economic Development Incentive under the terms of this Agreement, the Company, or a branch, division or department of the Company, is convicted of a violation under 8 U.S.C. § 1324a (f), the Company shall pay to the City, not later than the 120th day after the date the City notifies the Company of the violation, an amount equal to the total Economic Development Incentive previously paid by the City to the Company under the terms of this Agreement plus interest at the rate equal to the *lesser* of: (i) the Maximum Lawful Rate; or (ii) five percent (5%) per annum, such interest rate to be calculated on the amount of each Economic Development Incentive being recaptured from the

date each Economic Development Incentive was paid by the City to the Company until the date repaid by the Company to the City and such interest rate shall adjust periodically as of the date of any change in the Maximum Lawful Rate.

4. Limitation on Economic Development Incentives. The City shall have no obligation to pay any Economic Development Incentives to the Company if the Company, or any branch, division or department of the Company is convicted of a violation under 8 U.S.C. § 1324a (f).

5. Remedies. Notwithstanding any other provision of this Agreement, the City shall have the right to exercise all remedies available by law to collect any sums due by the Company to the City pursuant to this Article V including, without limitation, all remedies available pursuant to Chapter 2264 of the Texas Government Code.

6. Limitation. Company is not liable for a violation of Article V of this Agreement by a subsidiary, affiliate, or franchisee of the Company, or by a person with whom the Company contracts.

7. Survival. The terms, provisions, covenants, agreements and obligations of the Company and the rights and remedies of the City set forth in Article V of this Agreement shall expressly survive the expiration or termination of this Agreement.

ARTICLE VI

Conditions Precedent to Payment of Economic Development Incentives

The Company and the City hereby expressly acknowledge and agree that the City's obligation to pay the Economic Development Incentives to the Company during the Term of this Agreement shall be conditioned upon the satisfaction of each and every one of the following conditions precedent (sometimes referred to singularly herein as a "**Condition Precedent**" and sometimes collectively referred to as the "**Conditions Precedent**"), to-wit:

1. Payment Request. The Company shall have submitted a Payment Request to the City no earlier than January 30th and no later than April 15th of the calendar year following the Incentive Tax Year for which the Payment Request is being made requesting payment of the Economic Development Incentive then due by the City to the Company pursuant to the terms of this Agreement. For example, the first such Payment Request shall be submitted no earlier than January 30, 2026, and no later than April 15, 2026, for the Economic Development Incentives for the first Incentive Tax Year, and subsequent Payment Requests shall be submitted no earlier than January 30th and no later than April 15th of each calendar year thereafter during the Incentive Period. Each Payment Request shall be accompanied by a Certificate of Compliance and Certificate of Investment dated effective as of the date of the Payment Request and, as of the date of the Payment Request, all other Conditions Precedent set forth herein shall have been satisfied and are then continuing;

2. As a Condition Precedent, but without limiting Company's option to reach the higher Economic Development Incentives Maximum described in Section 6(b) of Article VII below, Company shall employ Employees who conduct their job duties at the Mesquite Facility in the following amounts and Wages for each of the following Incentive Tax Years:

- (a) By end of Incentive Tax Year 1 (December 31, **2025**), the Company shall employ at least fifty-two (**52**) Employees with an average Wage of no less than \$47,840.00 per year;
- (b) For Incentive Tax Year 2 (December 31, **2026**), the Company shall employ at least fifty-two (**52**) Employees with an average Wage of no less than \$47,840.00 per year;
- (c) For Incentive Tax Year 3 (December 31, **2027**), the Company shall employ at least ninety (**90**) Employees with an average Wage of no less than \$49,275.00 per year;
- (d) For Incentive Tax Year 4 (December 31, **2028**), the Company shall employ at least one hundred and one (**101**) Employees with an average Wage of no less than \$49,275.00 per year;
- (e) For Incentive Tax Year 5 (December 31, **2029**), the Company shall employ at least one hundred and forty-one (**141**) Employees with an average Wage of no less than \$52,276.00 per year; and
- (f) After Incentive Tax Year 5 and through and including December 31, 2034, Company shall maintain the amounts and wages of Employees required for Incentive Tax Year 5.

3. Lease of Mesquite Facility. The Company shall lease one hundred percent (100%) of the Mesquite Facility for a primary term commencing no later than January 1, 2025, and terminating no earlier than July 31, 2034 (the “**Lease Requirement**”). The Company shall deliver to the City a copy of the Lease satisfying the Lease Requirement on or before December 31, 2024.

- (a) Termination of the Lease by the Company shall not constitute an event of default under the following circumstances: (a) within one hundred eighty (180) days of termination of the Lease, Company has (i) entered into a new lease for space in which to conduct its business inside the city limits of City, with such space being a minimum of 483,874 square feet, (ii) the term of the new lease runs through at least December 31, 2034, (iii) Company locates to the new space business personal property of Company having a central appraisal district appraised value that is at least the central appraisal district appraised value of Company’s business personal property at the Mesquite Facility for the immediately preceding Incentive Tax Year, and (iv) Company operates its business in the new lease space and is otherwise in compliance with all of its obligations under this Agreement; and (b) Company has delivered to the City a copy of the new lease;
- (b) Termination of the Lease shall not constitute an event of default if the Lease is terminated because Company or an Affiliate acquires ownership of the Mesquite Facility and if Company or an Affiliate continuously thereafter maintains ownership of the Mesquite Facility and continuously operates Company’s Business during the Incentive Period;
- (c) If the Lease terminates on or before December 31, 2034 and neither Company nor an Affiliate has acquired ownership of the Mesquite Facility and continuously operated Company’s business or otherwise extended the Lease through at least the remainder of Incentive Year 2034 and continuously operated Company’s Business, then this Agreement shall terminate at that time and no Economic Development Incentive will be earned by Company nor owed by the City for the Incentive Tax Year when the Agreement is terminated nor any subsequent Incentive Tax Year.

4. Certificate of Occupancy and Business Operations. The Company shall have obtained a Certificate of Occupancy for the Building on or before December 31, 2025, and shall have commenced operations of the Company’s Business at the Mesquite Facility on or before December 31, 2025. Notwithstanding termination of the Lease, the Company or its Affiliate will stay regularly open for business and otherwise comply with the terms and conditions of this Agreement throughout the Term of this Agreement in order to qualify for Economic Development Incentives;

5. Initial Capital Investment. Company shall make initial Capital Investments for use at the Mesquite Facility for the items identified in **Exhibit B** hereto, incorporated herein by reference, under the heading of “Initial Investment” in the minimum amount of at least EIGHTY MILLION AND NO/100 DOLLARS (\$80,000,000.00) as of December 31, 2025 as evidenced by a Certificate of Investment provided with the first Payment Request submitted by Company;

6. Capital Investment for Equipment Upgrading and Additions. Company shall make Capital Investments for use at the Mesquite Facility for the items identified in **Exhibit B** hereto, under the heading of “Equipment Upgrading and Additions” in the minimum amount of at least SIXTEEN MILLION AND NO/100 DOLLARS (\$16,000,000.00) as of December 31, 2026 as evidenced by a Certificate of Investment provided with the 2027 Payment Request submitted by Company;

7. Capital Investment for Power Grid Upgrades. Company shall make Capital Investments for the items identified in **Exhibit B** under the heading “Power Grid Transformation and Upgrading” in the minimum amount of at least FOUR MILLION AND NO/100 DOLLARS (\$4,000,000.00) as of December 31, 2026 as evidenced by a Certificate of Investment provided with the 2027 Payment Request submitted by Company;

8. Inspection. The Company shall provide the City, its agents and employees with access to the Mesquite Facility at such times as the City may reasonably request to conduct such inspections as the City deems necessary in order to confirm compliance by the Company with the representations, covenants and agreements of the Company as set forth in this Agreement provided the City has given the Company at least seventy-two (72) hours prior written notice of such inspection. The Company shall provide a representative of the Company to accompany the City during all inspections of the Mesquite Facility conducted by the City;

9. Timely Payment of Taxes by Company. For the Incentive Tax Year beginning **January 1, 2025** and each Incentive Tax Year thereafter during the Term of this Agreement, the Company shall have timely paid the Ad Valorem Taxes assessed against the Business Personal Property at the Mesquite Facility, if renovated and occupied by the Company;

10. Timely Payment of Taxes by Landlord. For the Incentive Tax Year beginning **January 1, 2025** and each Incentive Tax Year thereafter during the Term of this Agreement, the Landlord shall have timely paid the Ad Valorem Taxes assessed against the Real Property of the Mesquite Facility, if renovated and occupied by the Company;

11. Compliance with Laws. The Company shall comply with all applicable federal, state and local laws, ordinances and regulations during the Term of this Agreement;

12. Payment of Fees. The Company or the Landlord shall have timely paid to the City all permit, development, review, inspection fees and such other fees due and payable to the City in connection with the operation of Company’s Business at the Mesquite Facility;

13. Certificates of Investment. The Certificates of Investment required by this Agreement, satisfactory to the City, shall have been timely provided to the City by the Company;

14. Maintenance Obligations. Subject to applicable notice and cure requirements of Article VIII, the Building shall, as of the date of the Payment Request, be in compliance with all

applicable building codes, zoning ordinances and all other codes, ordinances and regulations of the City applicable to the Mesquite Facility, if the Mesquite Facility is renovated and occupied by the Company;

15. Records and Reports. The Company shall have delivered to the City copies of such records and such other documentation as the City may reasonably request to confirm compliance by the Company with the Conditions Precedent;

16. Performance of this Agreement. Subject to applicable notice and cure requirements of Article VIII , the Company shall have timely kept and performed all terms, provisions, agreements, covenants, conditions and obligations to be kept or performed by the Company under the terms of this Agreement and no Company Default shall then exist and no event shall exist which, but for notice, the lapse of time, or both, would constitute a Company Default under the terms of this Agreement;

17. Performance of other Agreements. Subject to applicable notice and cure requirements of Article VIII , the Company shall have timely kept and performed all terms, provisions, agreements, covenants, conditions and obligations to be kept or performed by the Company under the terms of all other agreement(s) now and hereafter existing between the Company and the City, if any, and no default shall then exist under the terms of such agreement(s) and no event shall exist which, but for notice, the lapse of time, or both, would constitute a default by the Company under the terms of such agreement(s); and

18. No Conviction for Undocumented Workers. As of the date of the Payment Request, and at all times during the Term of this Agreement prior to the Payment Request, the Company shall not have been convicted by a court of competent jurisdiction of knowingly employing Undocumented Workers to work for the Company at the Mesquite Facility or at any other branch, division or department of the Company.

ARTICLE VII

Economic Development Incentives

1. Grant of Economic Development Incentives for Real Property Ad Valorem Taxes on the Mesquite Facility. Provided the Conditions Precedent set forth in Article VI of this Agreement have been satisfied and are then continuing, and subject to the applicable Economic Development Incentives Maximum described in Article VII, Sec. 6, the City hereby approves an economic development grant to the Company for each Incentive Tax Year during the Term of this Agreement, being January 1, 2025 to December 31, 2034, from the revenue in the City's general funds calculated annually by multiplying the total amount of taxes paid to the City for Ad Valorem Taxes for real property taxes assessed to the Mesquite Facility and collected by the City by fifty percent (50%).

2. Grant of Economic Development Incentives for Business Personal Property Ad Valorem Taxes for the Mesquite Facility. Provided the Conditions Precedent set forth in Article VI of this Agreement have been satisfied and are then continuing, and subject to the applicable Economic Development Incentives Maximum described in Article VII, Sec. 6, the City hereby approves an economic development grant to the Company for each Incentive Tax Year during the Term of this Agreement, being January 1, 2025 to December 31, 2034, from the revenue in the City's general funds calculated annually by multiplying the total amount of taxes paid to the City

for Ad Valorem Taxes for the Business Personal Property assessed to the Mesquite Facility and collected by the City by seventy-five percent (75%) for each Incentive Tax Year.

3. Other Taxing Entities. The Parties acknowledge and agree that ad valorem taxes assessed or collected against the Land, Building and Business Personal Property by the Mesquite Independent School District, the County of Dallas and/or any other taxing entity other than the City shall not be included in determining the amount of any Economic Development Incentive payable under the terms of this Agreement.

4. Payment of Economic Development Incentives. Provided all Conditions Precedent set forth in Article VI have been satisfied and are then continuing, the Economic Development Incentives set forth in Article VII, Sections 1 and 2, above shall be payable by the City to the Company in annual payments (referred to herein as “**Incentive Payments**”) on the later of: (i) June 1st of the calendar year following the Incentive Tax Year for which the Incentive Payment is payable; or (ii) sixty (60) days after all Conditions Precedent to the payment of such Incentive Payment have been satisfied. In no event shall the total amount of Incentive Payments exceed the Economic Development Incentives Maximum.

5. Funds Available for Payment of Economic Development Incentives. The grants of Economic Development Incentives payable by the City to the Company as more fully set forth in this Agreement are not secured by a pledge of Ad Valorem Taxes or financed by the issuance of any bonds or other obligations payable from Ad Valorem Taxes of the City. The Economic Development Incentive payable hereunder shall be paid only from funds of the City authorized by Article III, Section 52-a, of the Texas Constitution and Texas Local Government Code Chapter 380. Each Incentive Payment shall be subject to the City’s appropriation of funds for such purpose to be paid in the budget year for which the Incentive Payment is to be made. The provisions of this Article VII, Section 4 shall expressly survive the expiration or termination of this Agreement.

6. Economic Development Incentives Maximum.

(a) Except as provided in subsection (b) immediately below, the total cumulative amount of the Economic Development Incentives made through Incentive Payments to the Company under Article VII, Sections 1 and 2, under this Agreement, shall not exceed the maximum amount of One Million Five Hundred Thousand Dollars (\$1,500,000.00) (the “**Economic Development Incentives Maximum**”). In the event of any conflict between this provision and any other provision of this Agreement, this provision shall control.

(b) In the event the Company employs Employees who conduct their job duties at the Mesquite Facility in the following amounts and Wages for any of the following Incentive Tax Years, then the Economic Development Incentives Maximum shall be Two Million Five Hundred Thousand Dollars (\$2,500,000.00):

- (i) By end of Incentive Tax Year 1 (December 31, **2025**), Company employs at least fifty-two (**52**) Employees with an average Wage of no less than \$49,275.00 per year;
- (ii) For all of Incentive Tax Year 2 (December 31, **2026**), the Company employs at least fifty-two (**52**) Employees with an average Wage of no less than \$49,275.00 per year;

- (iii) For all of Incentive Tax Year 3 (December 31, **2027**), the Company employs at least ninety (**90**) Employees with an average Wage of no less than \$50,753 per year;
- (iv) For all of Incentive Tax Year 4 (December 31, **2028**), the Company employs at least one hundred and one (**101**) Employees with an average Wage of no less than \$50,753.00 per year;
- (v) For all of Incentive Tax Year 5 (December 31, **2029**), the Company employs at least one hundred and forty-one (**141**) Employees with an average Wage of no less than \$53,844.00 per year; and
- (vi) For all of Incentive Tax Year 6 and any Incentive Tax Year thereafter, Company employs at least one hundred and forty-one (**141**) Employees with an average Wage of no less than \$53,844.00 per year.

For clarification, this subsection (b) is not a condition precedent to Company's entitlement to Economic Development Incentives. Instead, this subsection (b) provides for Company to receive additional Economic Development Incentives, an increase of the Economic Development Incentives Maximum from \$1,500,000 to \$2,500,000, by paying its Employees a higher, average Wage than is required by Article VI, Section 2. For further clarification, should Company meet the requirements of this subsection (b) for any Incentive Tax Year provided above but not meet the requirement of this subsection (b) for a subsequent Incentive Tax Year, the Economic Development Incentives Maximum shall remain at \$2,500,000 provided all other conditions precedent, including but not limited to those in Article VI, are satisfied and continuing.

(c) This Agreement shall automatically terminate when the applicable Economic Development Incentives Maximum is paid.

7. Agreement Regarding Protest, Challenge or Appeal of Property Valuations. The Company acknowledges that a material consideration for the City's agreement to enter into this Agreement and to pay the Economic Development Incentives set forth herein is the City's expectation that the minimum real property and Business Personal Property taxable valuations of the Mesquite Facility will materially increase. The Company and/or the Landlord may protest, challenge or appeal the Business Personal Property and/or real property taxable value of the Mesquite Facility and/or Land for any Incentive Tax Year during the Term of this Agreement provided, however, in consideration of the City's agreement to enter into this Agreement and grant the Economic Development Incentives under the terms and conditions set forth herein, the Parties agree that if such protest, challenge or appeal results in a reduction in the valuation of the Land or Business Personal Property of the Mesquite Facility for such Incentive Tax Year to an amount less than ninety percent (90%) of the Minimum Taxable Valuations, then no Incentive Payment will be due or payable by the City to the Company for that Incentive Tax Year and any other Incentive Tax Year in which at least ninety percent (90%) of the foregoing Minimum Taxable Valuations are not achieved.

ARTICLE VIII

Events of Default

1. Each of the following shall constitute a "**Company Default**" or "**City Default**", as applicable, under this Agreement:

- (a) **General Event of Default.** Failure of Company or City to comply with or to timely

perform any term, obligation, covenant or condition contained in this Agreement, or failure of Company to comply with or to perform any other term, obligation, covenant or condition contained in any other agreement by and between Company and City, if any.

(b) **False Statements.** A determination by the City that any warranty, representation, or statement made or furnished to the City by or on behalf of Company under this Agreement is false or misleading in any material respect, either now or at the time made.

(c) **Event of Bankruptcy or Insolvency.** The occurrence of an Event of Bankruptcy or Insolvency of either Party.

(d) **Ad Valorem Taxes.** Ad Valorem Taxes owed to the City become delinquent and Company fails to cure, and/or cause the Landlord to cure, such failure within sixty (60) days after written notice thereof from City or the applicable appraisal district, as applicable.

(e) **Company Fee Payments.** Company does not timely pay City all impact fees, permit fees, development fees, review fees, inspection fees and such other fees owed by Company to City in connection with the Mesquite Facility.

(f) **Contract Compliance.** Company or City has breached a material provision of this Agreement beyond the notice and cure periods, if applicable, set forth herein.

(g) **Assignment.** Company assigns this Agreement, in whole or in part, in violation of this Agreement.

(h) **Business Closure.** Company permanently closes for business at the Mesquite Facility or otherwise ends the Company's Business at the Mesquite Facility.

2. Excepting and excluding Article VIII.1.(c) and (d) immediately above, in the Event of Default under Article VIII of this Agreement, the non-defaulting Party shall give written notice to the other Party of any default, and the defaulting Party shall have sixty (60) days to cure said default. Should said default remain uncured, the non-defaulting Party shall have the right to exercise the exclusive remedies provided in Article IX of this Agreement.

ARTICLE IX

Remedies

1. **City Remedies.** In the event of a Company Default that has continued uncured beyond any applicable grace or cure period, the City shall have no obligation to pay the Incentive Payment to the Company and the City shall have the right as its sole remedies to: (a) if already paid, recapture the prior year's Incentive Payments paid by the City to the Company as more fully set forth herein; and (b) terminate this Agreement by written notice to the Company in which event neither Party hereto shall have any further rights or obligations hereunder except for those that expressly survive the termination of this Agreement. Except as provided herein, in no event will the City be entitled to the recovery of attorneys' fees (except in the event of the exercise by the City of the remedies set forth in Chapter 2264 of the Texas Government Code or except in the event Company asserts a claim for attorneys' fees against City) or consequential, punitive, exemplary or speculative damages. In the event of an uncured Company Default and should the City have already paid an Incentive Payment to Company, Company shall immediately pay to the City, at

the City's address set forth in this Agreement, the amount of the Incentive Payment paid by City to Company for the preceding Incentive Tax Year plus interest at the rate equal to the lesser of: (i) the Maximum Lawful Rate; or (ii) five percent (5%) per annum, such interest rate to be calculated on each Incentive Payment being recaptured from the date such Incentive Payment was paid by the City until the date repaid by the Company to the City and such interest rate shall adjust periodically as of the date of any change in the Maximum Lawful Rate. The remedies provided in this Section are in addition to any other rights and remedies available to the City under this Agreement and applicable law.

2. Company Remedies. Upon the occurrence of a City Default that has continued uncured beyond any applicable grace or cure period, Company shall have the right as its sole remedies to: (a) terminate this Agreement by written notice to the City in which event neither Party hereto shall have any further rights or obligations hereunder except for those that expressly survive the termination of this Agreement; or (b) recover from the City the amount of any Economic Development Incentive then earned, owed and unpaid by the City as damages in accordance with the following provisions. The recovery of damages against the City shall not include attorney's fees, court costs, or consequential, punitive, exemplary, or speculative damages including, but not limited to, lost profits. The City and Company acknowledge and agree that this Agreement is not a contract for goods or services and the City's immunity from suit is not waived pursuant to Subchapter I of Chapter 271, V.T.C.A., Local Government Code, as amended. Alternatively, if and only in the event a court of competent jurisdiction determines the City's immunity from suit is waived under Subchapter I of Chapter 271, V.T.C.A., Local Government Code, the Parties hereby acknowledge and agree that in a suit against the City for breach of this Agreement or otherwise to recover damages:

(a) the total amount of damages, if any, awarded against the City shall be limited to actual damages in an amount not to exceed that of the Economic Development Incentive provided in Article VII of this Agreement earned by the Company, owed and unpaid by the City;

(b) any Economic Development Incentive past due and not paid following the required notice and cure period shall accrue interest at the lesser of: (i) the Maximum Lawful Rate; or (ii) five percent (5%) per annum beginning the day after expiration of the cure period until paid, and such interest rate shall adjust periodically as of the date of any change in the Maximum Lawful Rate; and

(c) the recovery of damages against the City shall not include attorneys' fees, court costs, or consequential, punitive, exemplary, or speculative damages including, but not limited to, lost profits.

3. Survival. All terms, provisions, agreements, covenants, conditions, obligations, rights and remedies of each Party pursuant to this Article shall expressly survive the expiration or termination of this Agreement.

ARTICLE X

Miscellaneous Provisions

1. It is expressly understood and agreed by the Parties to this Agreement that if a Party's ability to satisfy any obligation under this Agreement is delayed by reason of war, civil

commotion, acts of God, inclement weather, governmental restrictions, regulations, or interferences, delays caused by franchised utilities or their contractors, fire or other casualty, court injunction, necessary condemnation proceedings, or any circumstances which are reasonably beyond the control of the Party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstances are similar to any of those enumerated or not, the Party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such performance, including without limitation, the Incentive Period, shall be extended for a period of time equal to the period such Party was delayed, but in no event shall the Incentive Period exceed more than ten years. Notwithstanding the foregoing, a force majeure event does not include: (1) any financial or economic hardship; (2) changes in market or economic conditions; (3) any default or failure (financial or otherwise) of the general contractor or any subcontractor, vendor or supplier of the affected Party; (4) insufficiency of funds; (5) any delay of the general contractor or any subcontractor, vendor or supplier, except for delay(s) as a result of an act or event defined herein as force majeure; or (6) a governmental order that prevents Company, Landlord or their contractors or subcontractors, from proceeding with the construction of any portion of the improvements to the Mesquite Facility as a result of the Company's, or Landlord's, or their contractors' or subcontractors', failure to comply with applicable law.

2. Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties hereto, their respective successors and permitted assigns provided, however, except as described below, notwithstanding anything contained herein to the contrary, this Agreement may not be assigned or transferred without the express written consent of the other Party, which shall not be unreasonably withheld. No assignment of this Agreement shall contain any terms in contravention of any provisions of this Agreement. No assignment of this Agreement shall be effective unless: (i) the assignment is in writing signed by the assignor and the assignee; (ii) the assignee assumes the assignor's obligation to timely keep and perform all terms, provisions, agreements, covenants, conditions and obligations of the assignor under the terms of this Agreement; (iii) a true and correct copy of such assignment has been provided to the City; and (iv) the City has approved such assignment in writing, with such approval not being unreasonably withheld. Every assignee shall be subject to and bound by all the provisions, covenants, and conditions of this Agreement and shall be required to obtain the prior written consent of the City with respect to any future or further assignment. Any attempted assignment in violation of the terms and provisions of this Agreement shall be void and shall constitute a material breach of this Agreement by Company and in the event Company attempts to assign this Agreement in violation of this section, the City shall have the right to terminate this Agreement with Company for cause by written notice to Company.

3. Notices. Any notice and/or certificate or statement required or permitted to be given to any Party under the terms of this Agreement shall be in writing and shall be considered properly given if sent by United States electronically tracked certified mail, return receipt requested, in a postage paid envelope addressed to the respective Party at the following addresses or by delivery of the notice in person to the intended addressee by hand delivery or by a nationally recognized courier service for overnight delivery having the ability to track shipping and delivery of notices including but not limited to services such as Federal Express or United Parcel Service (UPS). Notices mailed by certified mail as set forth above shall be effective three (3) business days after deposit in the United States mail. Notices sent by a nationally recognized courier service as set forth above shall be effective one (1) business day after deposit with the nationally recognized courier service. Notices given in any other manner shall be effective only if and when

received by the addressee. For purposes of notice, the addresses of the Parties shall be as set forth below; provided, however, that any Party shall have the right to change such Party's address for notice purposes by giving the other Party at least thirty (30) days prior written notice of such change of address in the manner set forth herein:

(a) For purposes of notice, the address of the Company shall be as follows:

COMPANY: Hithium Tech USA Inc.
20 East Trinity Pointe, Building 5
12905 FM 2932
Mesquite, TX 75126
Attn: James Boswell
Phone: (518) 376-9446
Email: james.boswell@hithium.com

With copy to:

Counsel for Hithium Tech USA Inc.
Munsch Hardt Kopf & Harr, P.C.
Attn: Angela Hunt
Phone: 214.855.7527
Email: ahunt@munsch.com

(b) For purposes of notice, the address of the City shall be as follows:

CITY: City of Mesquite
1515 N. Galloway Avenue
Mesquite, TX 75149
Attention: City Manager

With a copies to:

Director of Economic Development
City of Mesquite
1515 N. Galloway Ave.
Mesquite, Texas 75149

City Attorney
City of Mesquite
1515 N. Galloway Ave.
Mesquite, Texas 75149

4. Right to Offset. The City shall have the right to offset any amounts due and payable by the City under this Agreement against any debt (including taxes) lawfully due and owing by the Company to the City regardless of whether the amount due arises pursuant to the terms of this Agreement or otherwise, and regardless of whether the debt has been reduced to judgment by a court.

5. Remedies Cumulative. The Parties hereby agree that each right and remedy of the Parties provided for in this Agreement shall be cumulative.

6. Authority. The Company represents that it is duly formed, validly existing and in good standing under the laws of the State of its formation and is duly authorized to transact business in the State of Texas. The Company represents that it has the full power and authority to enter into and fulfill its obligations under this Agreement and that the Person signing this Agreement on behalf of the Company has the authority to sign this Agreement on behalf of the Company. This Agreement was authorized by resolution of the City Council approved at a duly noticed City Council meeting.

7. No Acceleration. All amounts due pursuant to this Agreement and any remedies under this Agreement are not subject to acceleration.

8. Captions. The descriptive captions of this Agreement are for convenience of reference only and shall in no way define, describe, limit, expand or affect the scope, terms, conditions, or intent of this Agreement.

9. Sovereign Immunity. No Party hereto waives any statutory or common law right to sovereign or governmental immunity by virtue of its execution hereof.

10. Modification. No alteration of or amendment to this Agreement shall be effective unless in writing and signed by the Party or Parties sought to be charged or bound by the alteration or amendment.

11. Interpretation. Regardless of the actual drafter of this Agreement, this Agreement shall, in the event of any dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against any Party.

12. Waivers. All waivers, to be effective, must be in writing and signed by the waiving Party. No failure by any Party to insist upon the strict or timely performance of any covenant, duty, agreement, term or condition of this Agreement shall constitute a waiver of any such covenant, duty, agreement, term or condition. No delay or omission in the exercise of any right or remedy accruing to any Party upon a default of this Agreement shall impair such right or remedy or be construed as a waiver of any such breach or a waiver of any breach theretofore or thereafter occurring.

13. Governing Law; Venue. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Texas (without giving effect to any conflict of law principles that would result in the application of the laws of any state other than Texas). The Parties agree that venue of any suit to construe or enforce this Agreement shall lie exclusively in state courts in Dallas County, Texas.

14. **WAIVER OF CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SPECULATIVE DAMAGES.** THE COMPANY AND THE CITY AGREE THAT, IN CONNECTION WITH ANY ACTION, SUIT OR PROCEEDING ARISING FROM OR RELATING TO THIS AGREEMENT, EACH PARTY MUTUALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY CLAIM FOR CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SPECULATIVE DAMAGES. THIS SUBSECTION SHALL EXPRESSLY SURVIVE THE EXPIRATION OR TERMINATION OF THIS AGREEMENT.

15. Severability. The sections, paragraphs, sentences, clauses, and phrases of this Agreement are severable and, if any phrase, clause, sentence, paragraph, or section of this Agreement should be declared invalid, illegal or unenforceable by the final judgment or decree of any court of competent jurisdiction, such invalidity shall not affect the validity or enforceability of any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Agreement and such remaining provisions shall remain in full force and effect and shall be construed and enforced as if the invalid provision had never been included in the Agreement.

16. No Partnership or Joint Venture. Nothing contained in this Agreement shall be deemed or construed by the Parties hereto, nor by any third party, as creating the relationship of partnership or joint venture between the Parties.

17. No Third Party Beneficiaries. The Parties to this Agreement do not intend to create any third party beneficiaries of the contract rights contained herein, including but not limited to the Landlord. This Agreement shall not create any rights in any individual or entity that is not a signatory hereto. No Person who is not a party to this Agreement may bring a cause of action pursuant to this Agreement as a third party beneficiary.

18. Number and Gender. Whenever used herein, unless the context otherwise provides, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all other genders.

19. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.

20. Entire Agreement. This Agreement sets forth the entire agreement between the Parties with respect to the subject matter hereof, and all prior discussions, representations, proposals, offers, and oral or written communications of any nature are entirely superseded hereby and extinguished by the execution of this Agreement. There are no oral agreements between the Parties.

21. Usury Savings Clause. The Company and the City intend to conform strictly to all applicable usury laws. All agreements of the City and the Company are hereby limited by the provisions of this subsection which shall override and control all such agreements, whether now existing or hereafter arising and whether written or oral. In no event shall any interest contracted for, charged, received, paid or collected under the terms of this Agreement exceed the Maximum Lawful Rate or amount of non-usurious interest that may be contracted for, taken, reserved, charged, or received under applicable law. If, from any possible development of any document, interest would otherwise be payable to City in excess of the Maximum Lawful Rate, any such construction shall be subject to the provisions of this subsection and such document shall be

automatically reformed and the interest payable to the City shall be automatically reduced to the Maximum Lawful Rate, without the necessity of execution of any amendment or new document. If the City shall ever receive anything of value which is characterized as interest under applicable law and which would apart from this provision be in excess of the Maximum Lawful Rate, an amount equal to the amount which would have been excessive interest shall at the option of the City be refunded to Company or applied to the reduction of the principal amount owing under this Agreement or such document in the inverse order of its maturity and not to the payment of interest. The right to accelerate any indebtedness does not include the right to accelerate any interest which has not otherwise accrued on the date of such acceleration, and City does not intend to charge or receive any unearned interest in the event of acceleration. All interest paid or agreed to be paid to the City shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full stated term (including any renewal or extension) of such indebtedness so that the amount of interest on account of such indebtedness does not exceed the Maximum Lawful Rate.

22. Non-Collusion. The Company represents and warrants that neither the Company, nor anyone on the Company's behalf has given, made, promised or paid, nor offered to give, make, promise or pay any gift, bonus, commission, money or other consideration to any employee, agent, representative or official of the City as an inducement to or in order to obtain the benefits to be provided by the City under this Agreement.

23. Date for Performance. If the time period by which any act required hereunder must be performed falls on a Saturday, Sunday, legal or City holiday, then such time period shall be automatically extended through the close of business on the next regularly scheduled business day.

24. Form 1295 Certificate. The Company agrees to comply with Texas Government Code, § 2252.908 and in connection therewith, the Company agrees to go online with the Texas Ethics Commission to complete a Form 1295 Certificate and further agree to print the completed certificate and execute the completed certificate in such form as is required by Texas Government Code, § 2252.908 and the rules of the Texas Ethics Commission and provide to the City, at the time of delivery of an executed counterpart of this Agreement, a duly executed completed Form 1295 Certificate.

25. Execution of Agreement by Parties. If this Agreement is not executed by the Company and City within sixty (60) days after approval by the City Council of the City of Mesquite, Texas, this Agreement will be null and void and of no force or effect.

26. Time is of the Essence. THE PARTIES SPECIFICALLY AGREE THAT TIME IS OF THE ESSENCE OF EACH AND EVERY PROVISION OF THIS AGREEMENT AND EACH PARTY HEREBY WAIVES ANY RULE OF LAW OR EQUITY WHICH WOULD OTHERWISE GOVERN TIME OF PERFORMANCE.

27. In accordance with Chapter 2271 of the Texas Government Code, a Texas governmental entity may not enter into an agreement with a business entity for the provision of goods or services unless the agreement contains a written verification from the business entity that it: (1) does not boycott Israel; and (2) will not boycott Israel during the Term of the agreement. Chapter 2271 of the Texas Government Code does not apply to a (1) a business that is a sole proprietorship; (2) a business that has fewer than ten (10) full-time employees; or (3) the contract has a value of less than One Hundred Thousand Dollars (\$100,000.00). Unless Company is not

subject to Chapter 2271 of the Texas Government Code for the reasons stated herein, the signatory executing this Agreement on behalf of Company verifies that Company does not boycott Israel and will not boycott Israel during the Term of this Agreement.

28. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under §§ 2252.151-.154 TEX. GOV'T. CODE, Company hereby certifies that Company is not on a list maintained by the State Comptroller's office prepared and maintained pursuant to § 2252.153 of the Texas Government Code.

29. Pursuant to Texas Government Code Chapter 2274, unless otherwise exempt, if the Company employs at least ten (10) fulltime employees and this Agreement has a value of at least \$100,000 that is paid wholly or partly from public funds of the governmental entity, the Company represents that: (i) the Company does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and (ii) the Company will not discriminate during the Term of this Agreement against a firearm entity or firearm trade association.

30. Pursuant to Texas Government Code Chapter 2276, unless otherwise exempt, if the Company employs at least ten (10) or more full-time employees and this Agreement has value of at least \$100,000 or more that is paid wholly or partly from public funds of the governmental entity, the Company represents that the Company: (i) does not boycott energy companies; and (ii) will not boycott energy companies during the Term of the Agreement.

31. Report Agreement to Comptroller's Office. City covenants and agrees to report this Agreement to the State Comptroller's office within fourteen (14) days of the Effective Date of this Agreement, in accordance with § 380.004 of the Texas Government Code, as added by Texas House Bill 2404, 87th Tex. Reg. Session (2021) (effective September 1, 2021).

32. Reservation of Legislative Authority. Notwithstanding any provision in this Agreement, this Agreement does not control, waive, limit or supplant the legislative authority or discretion of the City Council of the City of Mesquite.

[Signatures continue on page following]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement by their duly authorized agents, officers and/or officials on the dates set forth below.

CITY:

CITY OF MESQUITE, TEXAS,
A Texas home-rule municipality

Cliff Keheley, City Manager

ATTEST:

Sonja Land
City Secretary

STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on the ____ day of _____, 2024 by Cliff Keheley, as City Manager of the City of Mesquite, Texas, a Texas home rule municipality, on behalf of said municipality.

Notary Public, State of Texas

COMPANY:

Hithium Tech USA Inc. a Texas corporation

By: _____

Its: _____

STATE OF TEXAS

§

§

COUNTY OF _____

§

This instrument was acknowledged before me on the ____ day of _____, 2024, by _____, as _____ of Hithium Tech USA Inc., a Texas corporation, on behalf of said corporation.

Notary Public, State of Texas

Exhibit A
Land Legal Description

Lot 5, in Block A, of TRINITY POINTE INDUSTRIAL PARK, an addition in Kaufman County, Texas, according to the map or plat thereof recorded in/under Volume 4, Page 321 of the Map/Plat Records of Kaufman County, Texas.

Exhibit B
Initial Investment

| No. | Estimated Investment Amount | Description |
|--------------|------------------------------------|--|
| 1 | \$246,237 | Temporary facilities and EPC management fees |
| 2 | \$8,809,794 | Office decoration and new facility room construction |
| 3 | \$2,592,722 | Fire protection upgrade |
| 4 | \$1,580,552 | Plumbing |
| 5 | \$8,546,319 | Process Equipment Piping |
| 6 | \$23,042,862 | Electrical Engineering |
| 7 | \$12,895,330 | New HVAC System |
| 8 | \$7,538,310 | Power supply line equipment |
| 9 | \$14,306,211 | Pack equipment |
| 10 | \$6,241,292 | AGV Automated logistics system |
| 11 | \$663,137 | Automated unloading system |
| Total | 86,462,766 | |

Power Grid Transformation and Upgrading

| No. | Estimated Investment Amount | Description |
|--------------|------------------------------------|--------------------------------|
| 1 | \$3,302,993 | Overhead circuit upgrading |
| 2 | 1,016,255 | Underground lines construction |
| Total | 4,319,248 | |

Equipment Upgrading and Additions

| No. | Estimated Investment Amount | Description |
|--------------|------------------------------------|-----------------------------|
| 1 | \$10,200,000 | Battery related equipment |
| 2 | \$6,200,000 | Logistics related equipment |
| Total | \$16,400,000 | |