

NON-BINDING MEMORANDUM OF UNDERSTANDING

BY AND BETWEEN

THE CITY OF LACY LAKEVIEW, TEXAS

AND

INFRAKEY DC PARKS LLC

THIS MEMORANDUM OF UNDERSTANDING (“MOU”) is entered into as of the 9th day of December 2025 (the “Effective Date”), by and between:

THE CITY OF LACY LAKEVIEW, TEXAS (the “**City**”), a home-rule municipality organized under the laws of the State of Texas, located at 501 E. Craven Avenue, Lacy Lakeview, Texas 76705; and

INFRAKEY DC PARKS LLC (“**Infrakey**”), a Wyoming limited liability company authorized to conduct business in Texas, with its principal office at 3551 Wilshire Way, Suite 900, Richardson, TX 75082.

The City and Infrakey are each a “**Party**” and collectively the “**Parties.**”

RECITALS

WHEREAS, Infrakey is the developer and project sponsor of the **Lacy Lakeview Data District (L2D2)**, a proposed master-planned hyperscale data and utility infrastructure park located in Elm Mott, McLennan County, Texas (the “**Project Site**”);

WHEREAS, the Project is intended to establish the nation’s first **Public–Private Power (P4)** utility ecosystem integrating on-site power generation, district cooling, natural gas, water, and fiber-optic systems (collectively, the “**Project**”);

WHEREAS, the City desires to promote economic development, stimulate job creation, and expand municipal revenues by facilitating development of the Project;

WHEREAS, the Project is anticipated to include (at full build out) approximately 1.2 GW of on-site gas-fired generation, 1 GW of district cooling capacity, 15–16 million gallons per day of water treatment and reuse, dedicated gas and fiber utility corridors, and supporting roadway, substation, and interconnection infrastructure necessary to integrate the Project with ERCOT, municipal, and regional utility systems, all to be detailed in subsequent definitive agreements between the Parties; and

WHEREAS, the City is authorized under the Texas Constitution, the Texas Local Government Code, and Chapter 2267 of the Texas Government Code (Public and Private Facilities and Infrastructure Act) to enter into public-private partnerships to develop critical infrastructure;

WHEREAS, the Parties acknowledge that this Memorandum of Understanding is non-binding and is intended solely to establish a cooperative framework and authorize the commencement of due diligence, feasibility, and financing studies necessary to prepare definitive agreements for City Council consideration;

WHEREAS, the City acknowledges **Infrakey DC Parks LLC** as the **designated private development partner** for the Lacy Lakeview Data District (L2D2) Project for a period of twelve (12) months from the Effective Date, during which the Parties agree to negotiate exclusively toward definitive agreements; and

WHEREAS, Infrakey may incur substantial expenses in due-diligence, interconnection, and feasibility studies, and the City acknowledges that such work and associated data shall be recognized as part of the official Project record for consideration in negotiation of future definitive agreements; and

NOW, THEREFORE, in consideration of the mutual covenants and undertakings contained herein, the Parties agree as follows:

ARTICLE I – DEFINITIONS

1.1 **“Project”** means the Lacy Lakeview Data District (L2D2) and all associated power, cooling, gas, water, wastewater, and fiber-optic utility systems to be developed within or adjacent to the City of Lacy Lakeview.

1.2 **“Franchise Agreement”** means the perspective definitive agreement between the City and Infrakey (or its affiliated utility special-purpose entities) authorizing the construction, ownership, and operation of the utility systems for a term of fifty (50) years, subject to City oversight and regulation.

1.3 **“Public–Private Power (P4) Model”** means the public-private infrastructure framework under which Infrakey designs, finances, constructs, and operates critical utility systems under municipal sponsorship and oversight.

1.4 **“Utility SPVs”** means one or more special-purpose entities formed by Infrakey to finance, own, and operate the individual utility systems authorized by the City through franchise or development agreements.

1.5 **“Effective Date”** means the date this MOU is fully executed by both Parties.

1.6 **“Developer Recognition”** The City acknowledges Infrakey DC Parks LLC as the designated private development partner for the L2D2 Project for a twelve (12)-month exclusive negotiation period, subject to mutual extension by written agreement.

ARTICLE II – PURPOSE AND OBJECTIVE

2.1 This MOU establishes a comprehensive framework for cooperation between the City and Infrakey to advance the development, financing, construction, and operation of the L2D2 Project as a Public–Private Power (P4) initiative.

2.2 The Parties intend to negotiate and execute definitive agreements including, but not limited to: a Utility Franchise Agreement, Infrastructure Development Agreement, and Public–Private Concession Agreement which accepted and approved by the City Counsel, will set forth binding terms governing the Project.

2.3 The objectives of this MOU are to:

- (a) define the roles and responsibilities of each Party;
- (b) establish the financial and governance principles for the Project;
- (c) promote economic and public benefits for the City and region; and
- (d) ensure compliance with all applicable laws and regulatory standards.

Section 2.4 – Conditions Precedent to Implementation.

No notice-to-proceed or commencement of construction under any Definitive Agreement shall occur until:

- (a) completion or approval of annexation or interlocal arrangements sufficient to vest municipal jurisdiction;
- (b) confirmation of site control and recorded utility easements;
- (c) ERCOT/Brazos Electric interconnection approvals;
- (d) issuance of required environmental and water permits;
- (e) execution of a **Consent to Collateral Assignment and Direct Agreement** with Secured Parties; and
- (f) evidence of insurance meeting agreed schedules.

ARTICLE III – ROLES AND RESPONSIBILITIES

Section 3.1 – City of Lacy Lakeview

If Definitive Agreements are reached and approved by the City Council, the City intends to agree to:

- (a) grant and administer a fifty-year utility franchise authorizing Infracore to develop, own, operate, and maintain the power, cooling, gas, water, and fiber systems within its jurisdiction and ETJ;
- (b) act as municipal sponsor for water, wastewater, and district cooling systems for purposes of state and federal permitting and rate recognition;
- (c) facilitate the issuance of permits and grant reasonable right-of-way access for utility corridors and infrastructure extensions;
- (d) coordinate with ERCOT, Brazos Electric, and other relevant agencies for interconnection and franchise compliance;
- (e) provide municipal coordination for public safety, fire protection, inspection, and permitting activities; and
- (f) cooperate in good faith with Infracore to support infrastructure financing and implementation activities, provided that such cooperation shall not create any debt or financial obligation of the City.

Section 3.2 – Infracore DC Parks

Infracore agrees to:

- (a) design, engineer, finance, construct, and operate the utility systems serving the Project in accordance with applicable laws and codes;
- (b) procure private financing through equity, debt, or other instruments for infrastructure development;
- (c) maintain Tier III+ reliability standards for all critical systems;
- (d) develop transparent rate structures subject to City review and approval as part of future franchise agreements;
- (e) deliver quarterly progress reports to the City summarizing construction, financing, and job creation metrics; and
- (f) dedicate utility easements, roads, and rights-of-way as required for municipal and regional infrastructure.

Section 3.3 – Annexation and Jurisdictional Realignment

The Parties acknowledge that the Lacy Lakeview Data District (L2D2) Project Site presently lies within the extraterritorial jurisdiction (“ETJ”) of the City of Waco, Texas. The Parties further recognize their shared intent that the Project Site ultimately be **annexed into the City of Lacy Lakeview** so that Lacy Lakeview may exercise full municipal authority and serve as the exclusive governmental sponsor for the Project under this Public–Private Power (P4) framework. Infracore expressly agrees to cooperate with and support the City of Lacy Lakeview in all applications, petitions, interlocal agreements, and administrative or legislative processes necessary to accomplish such annexation or jurisdictional realignment, including coordination with the City of Waco, McLennan County, and any applicable state agencies.

The City of Lacy Lakeview agrees to initiate such annexation proceedings in accordance with Chapter 43 of the Texas Local Government Code, subject to City Council approval. Nothing in this MOU shall obligate the City to complete annexation until mutually agreed upon by the Parties and consistent with applicable law, understanding the non-binding nature of this MOU and the limitations of Chapter 43.

Section 3.4 – Service Territory Intent.

Subject to applicable law, the City’s intent is to grant Infrakey and its Utility SPVs the **exclusive right** to design, construct, and operate the P4 utility systems within the L2D2 Project footprint for the franchise term, as will be detailed in the Franchise Agreement.

3.5 Sustainability Objectives. The Parties intend that the Project be designed, constructed, and operated to achieve measurable sustainability outcomes, including improved energy-efficiency, water reuse, and reductions in carbon intensity, consistent with state and federal ESG-linked financing programs.

ARTICLE IV – REVENUE AND RATE STRUCTURE

Franchise fees, payment in lieu of tax (PILOT) arrangements, and municipal participation revenues shall be negotiated and incorporated into the definitive agreements to be approved by the City Council.

Rate Framework. The Parties agree to develop a detailed rate methodology for power, cooling, gas, water, and fiber services incorporating CPI-linked O&M adjustments, applicable energy indices, and pass-through provisions for taxes and change-in-law. Such methodology shall be reviewed by the City Council and adopted in the definitive Franchise Agreement.

ARTICLE V – ECONOMIC IMPACT AND PUBLIC BENEFITS

The Parties acknowledge that the Project is expected to deliver the following public benefits:

- (a) creation of more than \$10 billion in taxable property value upon full build-out;
- (b) generation of approximately \$50 million in annual municipal and county tax revenue;
- (c) creation of over 30,000 construction and permanent jobs; and
- (d) construction of regional infrastructure assets including the Oak Leaf Road and North Katy Road corridors.

The Project will establish the City of Lacy Lakeview as a central hub for AI-ready data infrastructure in Texas.

ARTICLE VI – FINANCING COOPERATION

6.1 The City agrees to cooperate in good faith with Infracore's efforts to secure private financing for the Project by issuing non-binding support letters, acknowledgments, or administrative certifications as may be reasonably requested.

6.2 Nothing in this MOU shall be construed as creating a debt, liability, or financial obligation of the City to Infracore or to any third party.

6.3 All financing and revenue arrangements shall be subject to City Council approval and reflected in subsequent binding agreements.

ARTICLE VII – GOVERNANCE AND IMPLEMENTATION

7.1 The Parties shall establish a **Joint Infrastructure Working Group** within thirty (30) days of execution of this MOU, composed of two (2) representatives from each Party.

7.2 The Working Group shall:

- (a) coordinate technical and regulatory due diligence;
- (b) oversee inter-agency communications and permit filings;
- (c) review quarterly progress and economic reports; and
- (d) facilitate the negotiation of definitive agreements and annexation implementation.

7.3 All recommendations of the Working Group shall be advisory and non-binding unless formally approved by the City Council.

ARTICLE VIII – LEGAL PROVISIONS

Section 8.1 – No Financial Obligation

Nothing in this MOU creates any debt or financial obligation of the City to Infracore or any third party.

Section 8.2 – Intellectual Property

All studies, reports, plans, designs, engineering data, and technical or financial information prepared by or for Infracore remain the exclusive property of Infracore. The City shall have a nonexclusive, royalty-free license to use such materials solely for governmental review and planning purposes and shall not disclose, distribute, or use them for commercial or third-party purposes without Infracore's prior written consent.

Section 8.3 – Change in Law

Material adverse changes in applicable law after the Effective Date shall entitle the Parties to equitable adjustment of schedule, rates, or scope as may be defined in the Definitive Agreements.

Section 8.4 – Force Majeure

Performance deadlines are excused for events beyond the reasonable control of the affected Party (including natural disasters, regulatory delays, or utility curtailments) with notice and mitigation obligations.

Section 8.5 – Consent to Collateral Assignment and Direct Agreement

The City acknowledges that Infracore and/or its Utility SPVs may assign collateral rights under this MOU or any Definitive Agreement to Secured Parties. Upon notice, the City shall (i) notify such Secured Parties of defaults, (ii) permit them to cure within the contractual cure period plus 90 days, and (iii) enter into a customary **Direct Agreement** granting step-in and novation rights to a Qualified Transferee, consistent with Texas law.

Section 8.6 – Public Information Act (Confidentiality Carve-Out)

The City will cooperate to protect proprietary, financial, and security-sensitive materials including lender term sheets and financial models from public disclosure to the maximum extent permitted under the Texas Public Information Act.

Section 8.7 – Confidentiality

Both Parties shall maintain confidentiality of non-public and proprietary information exchanged under this MOU, subject to the Texas Public Information Act and other applicable law.

Section 8.8 – Term and Termination

This MOU shall remain in effect for twelve (12) months from the Effective Date unless extended by mutual written agreement. Either Party may terminate this MOU upon thirty (30) days' written notice to the other Party. The provisions of Sections 8.2 (Intellectual Property), 8.3 (Indemnification), 8.9 (Public Information Act and Confidentiality), shall survive the expiration or termination of this MOU.

Section 8.9 – Governing Law and Venue

This MOU shall be governed by and construed in accordance with the laws of the State of Texas. Venue for any dispute shall lie exclusively in McLennan County, Texas.

Section 8.10 – Dispute Resolution

With regard to any dispute regarding confidentiality, and governing law previously herein, the Parties agree to first seek resolution of disputes through good-faith negotiation within the Working Group before initiating litigation. The parties recognize that consistent with Section 8.11 below, the remaining terms herein are non-binding on the parties.

Section 8.11 – Non-Binding Intent

Except for the confidentiality, exclusivity, and governing law provisions herein, this MOU constitutes a statement of mutual intent and does not create any binding obligation unless and until definitive agreements are approved by the City Council and executed by both Parties.

Section 8.12 Exclusivity

The City agrees that, during the term of this Memorandum of Understanding and any extensions thereof, it shall not solicit, negotiate, or enter into discussions with any other private developer, entity, or consultant for the purpose of developing or operating any data center, utility, or infrastructure project of similar scope or intent within the **City and its ETJ**, without the prior written consent of **Infrakey DC Parks LLC**.

This exclusivity shall not preclude the City from engaging in communications or coordination with other governmental or regulatory bodies, including McLennan County, ERCOT, TxDOT, or the Public Utility Commission of Texas, as necessary for due diligence, permitting, or annexation activities, provided that such engagement does not constitute a solicitation or competitive procurement for the Project.

ARTICLE IX – EXECUTION AND NOTICES

Each Party shall provide updated notice information to the other Party and to any Secured Parties identified under the Direct Agreement.

Notices:

To the City:

Calvin Hodde, City Manager
City of Lacy Lakeview
501 E. Craven Avenue
Lacy Lakeview, TX 76705

To Infrakey:

Braham Singh, Chief Executive Officer
Infrakey DC Parks LLC

3551 Wilshire Way, Suite 900,
Richardson, TX 75082.
Email: braham.singh@infrakeyglobal.com

SIGNATURES

CITY OF LACY LAKEVIEW, TEXAS

By: _____

Name: Calvin Hodde

Title: City Manager

Date: _____

INFRAKEY DC PARKS LLC

By: _____

Name: Braham Singh

Title: Chief Executive Officer

Date: _____