

Water Supply Agreement

This Agreement is made between the CITY of Amarillo, Texas (hereafter, "CITY") a home rule municipality situated in Randall and Potter County and Fermi, Inc. (hereafter, "FERMI") a Texas incorporated company with its principal office at 620 South Taylor Suite 301, Amarillo, Texas 79101 upon the terms and conditions herein stated and in consideration of the premises and mutual promises contained herein, agree as follows:

WHEREAS, the CITY has secured and developed water supplies necessary to provide continuous and adequate service to its residential, commercial and industrial customers within the incorporated limits; and

WHEREAS, the CITY has water resources that it can deploy to promote the economic development of the CITY and its surrounding region; and

WHEREAS, FERMI desires to develop its Independence Advanced Energy and Intelligence Campus ("Project Site") and to secure water from the CITY to aid in that development; and

WHEREAS, the CITY and FERMI anticipate entering into this water supply agreement in consideration for FERMI's construction and installation of pipeline infrastructure, pumps, and all related materials and mechanisms ("Public Improvements") necessary for the CITY to provide continuous and adequate service to the Project Site, which infrastructure will enhance further development benefiting the public; and

WHEREAS, incorporating private investment entirely at the cost and expense of FERMI into public water delivery infrastructure projects can provide essential funding to upgrade aging systems, improve water quality and reliability, and ensure sustainable access to water for residential and commercial customers for years to come while lessening the burden on Amarillo taxpayers for the costs and expense of the same; and

NOW, THEREFORE, for and in consideration of the execution and performance of the mutual covenants herein set forth, CITY and FERMI hereby covenant and agree as follows:

I.

TERMS AND CONDITIONS

1.01. Sale and Acceptance of Water. Upon the effective date of this agreement, the CITY agrees to furnish and sell to FERMI ground water as soon as operationally practicable.

under the normal operating pressure prevailing in CITY's water distribution system at the point of delivery to develop FERMI's Independence Advanced Energy and Intelligence Campus ("Project Site"). If pressure greater than the normal operating pressure is required by FERMI, the cost of providing such greater pressure shall be borne by FERMI. FERMI agrees to accept delivery of water under the conditions of this agreement and to pay for the same in accordance with the terms hereof.

1.02. Curtailment/Diversion of Supply. The furnishing of water by CITY to FERMI is subject to the CITY Drought Contingency Plan as set forth in Chapter 18-2, Article V, of the CITY Municipal Code, which Plan is incorporated herein by reference as if set forth herein in its entirety. Should CITY curtail the use of water throughout said CITY or issue water conservation measures or restrict the use of water in any way, FERMI will institute and apply equal rationing, conservation measures, or restrictions, for so long as any part of the total water supply of FERMI shall be furnished by CITY; and any failure by FERMI to comply with this provision shall be just cause for CITY to take legal action to secure compliance.

II.

REGULATORY APPROVAL

2.01. This agreement is subject to all applicable federal, state and local laws, rules and regulations currently in effect and as added or amended in the future.

III.

CONSTRUCTION AND INSTALLATION OF WATER DISTRIBUTION INFRASTRUCTURE

3.01. In further consideration of the CITY's commitment to supply water per this Agreement, FERMI shall design, construct, and install all Public Improvements necessary to enable the CITY to deliver water to the Project Site at the sole cost and expense of FERMI giving due regard to CITY specifications and necessary design input in accordance with a notice and consultation with the CITY with all said Public Improvements to be dedicated to the CITY upon completion. Public Improvements shall include, but are not limited to, two (2) wells within the City's Carson County Well Field and any related piping to connect to existing transmission lines, and a backup generator for the existing pump station(s). FERMI acknowledges and affirms that the CITY's duty to supply water for the term of this agreement is completely contingent upon completion and dedication of the Public Improvements described herein by January 2027 to enable the CITY to deliver water to the Project Site and to further enhance the City's public water delivery infrastructure to accommodate growth.

IV.

METER INSTALLATION AND TESTING

4.01. Installation. All water furnished under this agreement by CITY shall be measured by one or more suitable meters equipped with continuous flow devices and transmitting and receiving equipment. FERMI shall install and maintain an air gapped system at the Point of Delivery entirely at FERMI's expense.

4.02. Point of Delivery. The location of the meter shall be considered the Point of Delivery. The CITY agrees to supply the water for this agreement from its Carson County Well Field, unless due to an emergency or circumstance beyond its control, the CITY is unable to deliver water from said field; in which case FERMI will be notified of such emergency or circumstances and the CITY will endeavor to deliver water from other available sources subject to all other terms and conditions and provisions of this Agreement as stated herein.

4.03. Meter Location. The location of the meter shall be mutually agreed upon by the parties hereto, and the meter shall not be moved, removed, or relocated except by prior written mutual consent.

4.04. Meter Testing. The CITY shall have the right to test the meter and appurtenances at any time by first giving FERMI notice of its intention to make such a test. No meter may be adjusted, changed, or tested, in place or elsewhere, unless the party intending to make such adjustment, change, or test shall first be given notice to the other party of this intention and thereafter give reasonable opportunity to the other party to have representatives participate in such test, change or adjustment. All meters shall be properly sealed, and the seal shall not be broken unless representatives of both parties have been notified and given a reasonable opportunity to be present. AWWA specifications shall be utilized as standards and as the basis of any adjustments. If the meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered in the corresponding period immediately prior to the failure, unless the parties agree to a different amount.

4.05. Maintenance. CITY will own and maintain the portion of the water supply line between the point of connection with CITY's system and the Point of Delivery after service has begun under this agreement. FERMI will continue to own and maintain the portion of the water supply line downstream from the Point of Delivery to prevent waste and infiltration.

V.

METER READING AND BILLING

5.01. Meter Reading. CITY will read all meters provided for herein at monthly intervals, and the parties to this agreement shall have free access to read these meters daily if either party so desires. It shall be the duty of the parties to give immediate notice, each to the other, should any meter be found not functioning; and upon such notice repairs to such meter shall be made promptly.

5.02. Due Date. The monthly bill shall be due and payable at the office of the CITY Water Department on or before thirty (30) days after FERMI'S receipt of CITY'S invoice/billing. Should FERMI fail to make any payments as required under this agreement, interest on past due amounts shall accrue on those amounts in accordance with CITY policy and applicable law.

VI.

RATES

6.01. Rate Charged for Water Furnished. The rates charged by CITY for rendering water service under the terms of this contract shall be at a rate of two (2.0) times that the CITY charges to a connection of like size within the City's incorporated limits.

6.02. Adjustment of Rates. It is understood by FERMI that the rates charged to FERMI are based on budgeted amounts for CITY's rates; therefore, before July 1 of each year, CITY will project its budgeted cost of service for the upcoming fiscal year and will notify FERMI of the rates charged to FERMI for the upcoming fiscal year, which rates FERMI agrees to pay.

VII.

MISCELLANEOUS

7.01. Maximum Rate of Delivery. The rate of delivery at the point of delivery shall not exceed 2.5 million gallons per day (MGD) as measured on a daily basis.

7.02. Life of Contract. The life of this contract shall be for twenty (20) years from the date of final execution hereof, and may be renewed for two (2) additional ten (10) year renewal terms by mutual written agreement by the parties hereto upon a written request for renewal served on a party at least 180 days before the end of the initial or renewal term.

7.03. Termination. Either party may terminate this Agreement prior to the completion and dedication of the Public Improvements, with cause, by providing the other party with at least one hundred eighty (180) days' written notice. Upon completion and dedication of the Public Improvements, either party may terminate this Agreement upon written notice in the event of a material default by the other party. Unless agreed to otherwise in writing by the parties, upon termination of the agreement for any reason, all Public Improvements regardless of completion status shall become the property of CITY. A termination subsequent to the completion and dedication of the Public Improvements for an alleged material default shall not become effective so long as the party alleged to be in material default is in good faith diligently and expeditiously attempting to cure such default throughout such period, and cures the material default within one hundred eighty (180) days.

7.04. No Resale of Water. FERMI will not resell water made available by this agreement outside of its Project Site nor make any extension of water lines beyond the limits of its property as it currently exists or may hereafter exist, nor permit any connection without the prior written approval of CITY.

7.05. Regulations and Severability. If, by reason of force majeure, either party hereto shall be rendered unable, wholly or in part, to carry out its obligations under this agreement other than the obligation of FERMI to make payments required under the terms hereof, then if such party shall give notice and full particulars to such force majeure in writing to the other party within a reasonable time after the occurrence of the event or cause relied on, the obligation of the party giving such notice, so far as it is affected by such force majeure, shall be suspended during the continuance of the inability, but for no longer period, and such party shall endeavor to remove or overcome such inability with all reasonable dispatch.

The term "force majeure", as employed herein shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of public enemy, orders of any kind of the Government of the United States or the State of Texas, or any civil or military authority, insurrection, riots, epidemics, pandemics, landslides, lightning, earthquake, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraints of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, partial or entire failure of water supply, and inability on the part of CITY to deliver water hereunder or FERMI to receive under hereunder on account of any other causes not reasonably within the control of the party claiming such inability.

7.06. Assignment/Third Party Rights. The parties cannot assign their rights or delegate their duties under this agreement without the other party's prior written consent, except that FERMI may assign this agreement (and the right to accept and utilize delivery of

water) in whole or in part to its affiliates or as collateral to third parties providing financing in connection with the Public Improvements or FERMI's Independence Advanced Energy and Intelligence Campus, in each case upon prior written notice but without CITY's consent, provided that any such assignment shall not relieve FERMI of liability hereunder. There are no third-party beneficiaries, actual or implied of this agreement.

7.07. Notice/Contacts. Any notice required or document to be provided under this agreement shall be given by hand delivery or by U.S. Mail to the following contacts:

- CITY of Amarillo, Grayson Path, City Manager or designee, 623 S. Johnson St., Amarillo, TX 79101
- FERMI, Inc., Toby Neugebauer, its CEO and President, 620 S. Taylor St. Suite 301, Amarillo, TX 79101

7.08. Dispute Resolution/Litigation. If a dispute arises between the parties relating to this agreement, the parties agree to meet informally in a good faith effort to negotiate a resolution of the dispute prior to the initiation of litigation. The parties may refer the matter to mediation to assist in resolving the dispute. In the event any formal action or proceeding is brought by either party concerning this agreement, the prevailing party shall be entitled to recover its reasonable costs and attorneys' fees.

7.09. Captions. The headings used in this agreement are for reference purposes only and do not define, limit, extend, describe or affect in any way the meaning, scope or interpretation of any of the terms or provisions of this agreement.

7.10. Governing Law and Venue. The laws of the State of Texas shall govern all terms and conditions of this agreement and each party agrees that if legal action is brought under this Agreement, then exclusive venue shall lie in Potter County, Texas.

7.11. Effective Date. This Agreement shall become effective upon final execution by the parties.

7.12. Severance & Survival. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any request, such invalidity, illegality, or unenforceability shall not affect any other provision contained herein and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained. The provisions of paragraphs 5 through 6 inclusive, shall survive termination, cancellation, expiration or non-renewal of this Agreement.

7.13. Amendments. This Agreement contains all the commitments and the agreements of the Parties and any oral or written commitments not contained herein shall have no force or affect to alter any term or condition of this Agreement. This Agreement may be amended or modified in writing by the mutual agreement of the Parties.

7.14. Prior Agreements: It is neither contemplated nor intended for this agreement to infer any attempt by FERMI to appropriate or acquire effluent discharged by the Hollywood Road Wastewater Treatment Plant to Lake Tanglewood that has already been specifically allocated by prior agreement by the CITY.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their authorized officers and shall be effective per the terms herein.

FERMI, INC.

BY: _____

Toby Neugebauer, CEO and President

DATE: _____

10/29/25

CITY OF AMARILLO, TEXAS

BY: _____

Grayson Path, City Manager

DATE: _____

10/30/2025

ATTEST: _____

Asst.

City Secretary

Jonni Glin