

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

November 27, 2024
(Date of earliest event reported)

APPLIED DIGITAL CORPORATION

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction
of incorporation)

001-31968
(Commission
File Number)

95-4863690
(IRS Employer
Identification No.)

3811 Turtle Creek Blvd., Suite 2100, Dallas, TX
(Address of principal executive offices)

75219
(Zip Code)

214-427-1704

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

- Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	APLD	Nasdaq Global Select Market

Item 1.01 Entry into a Material Definitive Agreement.

On November 27, 2024 (the "Closing Date"), APLD ELN-02 Holdings LLC (the "Borrower"), a Delaware limited liability company and a subsidiary of Applied Digital Corporation, a Nevada corporation (the "Company") entered into a promissory note (the "Promissory Note") with Macquarie Equipment Capital, Inc., a Delaware corporation (the "Lender"). The Promissory Note, which was fully drawn on November 27, 2024, provides for a loan of \$150 million (the "Loan"), which bears interest at 0.25% per annum, unless an Event of Default (as defined therein) has occurred and is continuing, in which case, (i) the principal of the Loan shall bear interest at (A) a rate of 14.75% above the then applicable interest rate for the first 30 days of such Event of Default and (B) a rate of 16.75% above the then applicable interest rate thereafter, (ii) all other amounts due under the Promissory Note shall bear interest at 2.00% per annum above the then applicable interest rate for the Loan for the first 30 days of such Event of Default and a rate of 4.00% annum above the then applicable interest rate for the Loan thereafter. The Promissory Note matures on the earlier of (i) the date of acceleration of the Loan or (ii) May 27, 2026; however, to the extent that the ELN-02 Project (as defined therein) is not completed by December 6, 2025, the Borrower must mandatorily prepay the full outstanding principal balance of the Promissory Note together with accrued interest to the date of prepayment on the principal amount prepaid and any other amounts then due and payable.

The Borrower may voluntarily prepay all or part of the Promissory Note at any time with no less than three (3) business days' notice with accrued interest to the date of prepayment on the principal amount prepaid, so long as, with respect to the portion of the Loan then being prepaid, in each case, such prepayment is accompanied by the payment of amounts sufficient to achieve a rate of return that equals or exceeds (i) 1.11 to 1.00 if such prepayment occurs on or prior to the date that is four months after the Closing Date, (ii) 1.20 to 1.00 if such prepayment occurs after the date that is four months after the Closing Date but on or prior to the date that is seven months after the Closing Date, or (iii) 1.35 to 1.00 if such prepayment occurs after the date that is seven months after the Closing Date. The same 1.35x return hurdle applies to repayment at maturity. Amounts repaid under the Promissory Note will not be available to be re-borrowed.

Proceeds of the loan under the Promissory Note will be used, in part, to prepay in full and terminate (i) all obligations of APLD Holdings 2 LLC (the "Parent

Guarantor”) a Delaware limited liability company and a subsidiary of the Company, under that certain Promissory Note, dated June 7, 2024 in favor of CIM APLD Lender Holdings, LLC (as amended, the “CIM Note”) and (ii) all obligations of the Company under that certain Prepaid Advance Agreement, dated March 27, 2024, in favor of YA II PN, LTD (the “March PAA”) and that certain promissory note issued on March 27, 2024 thereunder (the “March Note”).

In connection with the Loan, the Parent Guarantor, as parent of the Borrower, has (i) entered into a pledge agreement in favor of the Lender (the “Pledge Agreement”) pursuant to which the Parent Guarantor pledged a continuing security interest in all of the membership interests of the Borrower and all related Proceeds (as defined in the Pledge Agreement) therefrom (the “Pledged Collateral”) and (ii) provided a limited guarantee (the “Limited Parent Guarantee”) in favor of the Lender that includes certain covenants that limit the Parent Guarantor’s ability to transfer or dispose of any Pledged Collateral granted thereunder, grant certain liens or allow its subsidiaries to sell or otherwise transfer assets to their affiliates, subject to certain specified exceptions in each case. In addition, certain subsidiaries of Parent Guarantor (each, a “Grantor,” and collectively, the “Grantors”) have entered into a guarantee and collateral agreement in favor of the Lender (the “Guarantee and Collateral Agreement”) pursuant to which each Grantor pledged a continuing security interest in substantially all of its respective assets except for Excluded Assets (as defined in the Guarantee and Collateral Agreement). Certain of the Grantors will also grant mortgages to the Lender over certain properties.

As partial consideration for the Loan under the Promissory Note, on November 27, 2024 the Company issued to the Lender warrants (the “Warrants”) to purchase up to 1,035,197 shares of common stock of the Company, par value \$0.001 (the “Common Shares”) in a private placement pursuant to Section 4(a)(2) under the Securities Act of 1933, as amended (the “Securities Act”). The Warrants will be exercisable from and after the date that is six months following the date of issuance thereof and will have a five and one-half-year term. The Warrants will have an exercise price of \$9.66 per share, which exercise price must be paid in cash. The Warrants contain customary anti-dilution provisions for corporate actions such as stock dividends and stock splits.

The foregoing descriptions of the Warrants, the Promissory Note, the Limited Parent Guarantee, the Guarantee and Collateral Agreement and the Pledge Agreement do not purport to be complete and are qualified in their entirety by reference to the full text of each agreement, filed as Exhibits 4.1, 10.1, 10.2, 10.3 and 10.4, respectively to this Current Report on Form 8-K and incorporated herein by reference.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth in “Item 1.01 Entry into a Material Definitive Agreement” is incorporated by reference herein in its entirety.

Item 3.02 Unregistered Sales of Equity Securities.

The information set forth in “Item 1.01 Entry into a Material Definitive Agreement” relating to the issuance of the Warrants and the underlying Common Shares is incorporated by reference herein in its entirety.

This Current Report on Form 8-K shall not constitute an offer to sell or the solicitation of any offer to buy the Common Shares, nor shall there be an offer, solicitation or sale of the Common Shares in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such state.

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Item 8.01 Other Events.

On December 2, 2024, the Company issued a press release (the “Press Release”) announcing the entry into the Promissory Note. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information set forth in “Item 1.01 Entry into a Material Definitive Agreement” relating to the repayment and termination of the CIM Note and the March Note is incorporated by reference herein in its entirety.

Forward-Looking Statements

This Current Report on Form 8-K and other reports filed by the Company from time to time with the SEC contains “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995 regarding, among other things, future operating and financial performance, product development, market position, business strategy and objectives and the closing of the transaction described herein. These statements use words, and variations of words, such as “continue,” “build,” “future,” “increase,” “drive,” “believe,” “look,” “ahead,” “confident,” “deliver,” “outlook,” “expect,” “project” and “predict.” Other examples of forward-looking statements may include, but are not limited to, (i) statements of Company plans and objectives, including the Company’s evolving business model, or estimates or predictions of actions by suppliers, (ii) statements of future economic performance, (iii) statements of assumptions underlying other statements and statements about the Company or its business and (iv) the Company’s ability to effectively apply the net proceeds from the transaction as described above. You are cautioned not to rely on these forward-looking statements. These statements are based on current expectations of future events and thus are inherently subject to uncertainty. If underlying assumptions prove inaccurate or known or unknown risks or uncertainties materialize, actual results could vary materially from the Company’s expectations and projections. These risks, uncertainties, and other factors include: decline in demand for our products and services; the volatility of the crypto asset industry; the inability to comply with developments and changes in regulation; cash flow and access to capital; and maintenance of third-party relationships. Information in this release is as of the dates and time periods indicated herein, and the Company does not undertake to update any of the information contained in these materials, except as required by law.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
4.1	Form of Warrant.
10.1*	Promissory Note, dated November 27, 2024, issued by APLD ELN-02 Holdings LLC and payable to Macquarie Equipment Capital, Inc.
10.2	Limited Parent Guarantee, dated November 27, 2024, issued by APLD Holdings 2 LLC in favor of Macquarie Equipment Capital, Inc.
10.3**	Guarantee and Collateral Agreement, dated November 27, 2024, by and among APLD ELN-02 Holdings LLC, APLD ELN-02 LLC, APLD ELN-02 A LLC, APLD ELN-02 B LLC, APLD ELN-02 C LLC and Macquarie Equipment Capital, Inc.
10.4	Pledge Agreement, dated November 27, 2024, issued by APLD Holdings 2 LLC in favor of Macquarie Equipment Capital, Inc.
99.1	Press Release dated December 2, 2024.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

* Portions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K.

** The schedules to this agreement have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company hereby agrees to furnish supplementally a copy of any omitted schedule to the SEC upon request.

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SIGNATURE

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: December 2, 2024

By: /s/ Saidal L. Mohmand

Name: Saidal L. Mohmand

Title: Chief Financial Officer

THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT UNDER ANY CIRCUMSTANCES BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF WITHOUT AN EFFECTIVE REGISTRATION STATEMENT FOR SUCH SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND ANY OTHER APPLICABLE SECURITIES LAWS OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE SECURITIES LAWS.

COMMON STOCK PURCHASE WARRANT

APPLIED DIGITAL CORPORATION

Issue Date: _____ (the "Issue Date")

Initial Exercise Date: _____

THIS COMMON STOCK PURCHASE WARRANT (this "Warrant") certifies that, for value received, _____ or its permitted assigns (the "Holder"), is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date set forth above (the "Initial Exercise Date") and on or prior to the Termination Date (as defined below), but not thereafter, to purchase from Applied Digital Corporation, a Nevada corporation (the "Company"), up to _____ shares (subject to the limitations contained herein, including Sections 2(d) and 3(e), and subject to adjustment hereunder, the "Warrant Shares") of the Company's common stock, par value \$0.001 per share (the "Common Stock"). The purchase price of one Warrant Share shall be equal to the Exercise Price, as defined in Section 2(b).

As used in this Warrant:

"Affiliate" means, with respect to any Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person; for purposes of this definition, the term "control" (including the correlative meanings of the terms "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person, whether through the ownership of voting securities or by contract or otherwise.

"Board of Directors" means the board of directors of the Company.

"Business Day" means any day excluding Saturday, Sunday or any day which is a legal holiday under the laws of the State of New York or a day on which banking institutions are authorized or required by law or other governmental action to close.

"Capital Stock" means, with respect to any Person, (i) any capital stock of such Person, (ii) any security convertible, with or without consideration, into any capital stock of such Person, (iii) any other shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) the capital stock of such Person and (iv) any other equity interest in, or right to vote generally in elections of directors or the comparable governing body of, such Person.

"Fair Market Value" of the Common Stock on any date of determination means (i) if the Common Stock is listed for trading on a national securities exchange, the closing sale price per share of the Common Stock on the Trading Day immediately prior to such date of determination, as reported by the national securities exchange, (ii) if the Common Stock is not listed on a national securities exchange but is listed in the over-the-counter market, the average last quoted sale price for the Common Stock (or, if no sale price is reported, the average of the high bid and low asked price for such date) on the Trading Day immediately prior to such date of determination, in the over-the-counter market as reported by OTC Markets Group Inc. or other similar organization, or (iii) in all other cases, in the sole discretion of the Board of Directors, (A) as agreed upon in good faith by the Holder and the Company or (B) as determined by an independent accounting, appraisal or investment banking firm or consultant of nationally recognized standing that is retained at the sole cost and expense of the Company.

"Person" means any individual, partnership, corporation, limited liability company, association, joint stock company, trust, joint venture, unincorporated organization or governmental entity (or any department, agency, or political subdivision thereof).

"Reported Outstanding Shares Number" means (x) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (y) a more recent public announcement by the Company or (z) a more recent written notice by the Company or the Transfer Agent to the Holder, in each case setting forth the number of shares of Common Stock outstanding.

"Termination Date" shall mean the close of business on _____.

"Trading Day" means a day on which:

- (a) trading in the Common Stock generally occurs on the principal U.S. national or regional securities exchange on which the Common Stock (or such other security) is then listed; and
- (b) during the one-half hour period ending on the scheduled close of trading on any Trading Day no material suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the stock exchange or otherwise) in the Common Stock or in any options, contracts or future contracts relating to the Common Stock existed or occurred.

If the Common Stock is not so listed or traded, "Trading Day" means a business day.

"VWAP" per share of Common Stock on any Trading Day means the per share volume-weighted average price as displayed under the heading Bloomberg VWAP on Bloomberg (or, if Bloomberg ceases to publish such price, any successor service reasonably chosen by the Company) page "APLD <equity> AQR" (or its equivalent successor if such page is not available) in respect of the period from the open of trading on the relevant Trading Day until the close of trading on such Trading Day (or if such volume-weighted average price is unavailable, the market price of one share of Common Stock on such Trading Day determined, using a volume-weighted average method, by an Independent Financial Advisor retained for such purpose by the Company). The VWAP will be determined without regard to after-hours trading or any other trading outside of the regular trading session.

Section 1. Vesting; Exercisability. The Holder's right to exercise this Warrant with respect to the Warrant Shares is subject to vesting and limitations on exercisability as follows:

(a) This Warrant and the Holder's rights hereunder with respect to the Warrant Shares (subject to adjustment or otherwise to the restrictions as set forth in this Warrant, including, without limitation, Section 2(d) and Section 3) will vest and become exercisable on the Initial Exercise Date.

(b) The Holder's right to receive the Warrant Shares, and the Company's obligation to issue such Warrant Shares, upon exercise of this Warrant shall be subject to the limitations set forth in Section 2(d)(i).

Section 2. Exercise.

(a) Subject to Section 1, exercise of the purchase rights represented by this Warrant with respect to Warrant Shares may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company (or such other office or agency of the Company as it may designate by notice in writing to the registered Holder at the address of the Holder appearing on the books of the Company) of a duly completed and executed copy of a notice of exercise substantially in the form attached hereto as Exhibit A (a "Notice of Exercise"). The "Exercise Date" shall be the date on which such delivery shall have taken place (or be deemed to have taken place) unless a later date is specified in the Notice of Exercise. Within two (2) Trading Days following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the shares specified in the applicable Notice of Exercise by wire transfer or cashier's check drawn on a United States bank; provided, however, in the event that the Holder has not delivered such aggregate Exercise Price within two (2) Trading Days following the date of such exercise as aforesaid, the Company shall not be obligated to deliver such Warrant Shares hereunder until such payment is made. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation promptly after the relevant event shall have occurred. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases and the Holder may request that a new Warrant be issued to it representing the amount of Underlying Shares not purchased and the Company shall promptly comply with such request. The Company shall deliver any objection to any Notice of Exercise within two (2) Business Days of receipt of such notice. **The Holder, by acceptance of this Warrant, acknowledges and agrees that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

(b) Exercise Price. The "Exercise Price" per Warrant Share shall be \$9.66, subject to any adjustment required by Section 3.

(c) Mechanics of Exercise.

(i) Delivery of Warrant Shares Upon Exercise. Upon each exercise of this Warrant, the Company shall promptly, but in no event later than two (2) Trading Days after delivery of the applicable Notice of Exercise (subject to delivery by the Holder to the Company of the aggregate Exercise Price payable pursuant to Section 2(b)), instruct the transfer agent for the Common Stock (the "Transfer Agent") to record the issuance of the Warrant Shares purchased hereunder to the Holder in book-entry form pursuant to the Transfer Agent's regular procedures. The Warrant Shares shall be deemed to have been issued, and the Holder shall be deemed to have become a holder of record of such shares for all purposes, as of the Exercise Date with payment to the Company of the Exercise Price having been paid.

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(ii) Rescission Rights. If the Company (x) fails to issue or cause to have issued the Warrant Shares pursuant to Section 2(c)(i) or (y) does not issue Warrant Shares as a result of the limitations in Section 1(c) or Section 2(d) within two (2) Trading Days after delivery of the applicable Notice of Exercise (clauses (x) and (y) of this Section (c)(ii), each a "Delivery Failure"), then the Holder will have the right to rescind such exercise in its sole discretion; provided that, such exercise shall not limit the Holders exercise of any other remedies which may be available to the Holder in the event of such Delivery Failure. The right of rescission of the Holder under this Section 2(c)(ii) is subject to delivery by the Holder of the aggregate Exercise Price payable pursuant to Section 2(b).

(iii) No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Fair Market Value or round up to the next whole share.

(iv) Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue, transfer, stamp or other similar tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder; provided, that the Company shall not be required to pay any tax or governmental charge that may be imposed with respect to any applicable withholding or the issuance or delivery of the Warrant Shares or a new Warrant to any Person other than the Holder, and no such issuance or delivery shall be made unless and until the Person requesting such issuance has paid to the Company the amount of any such tax or governmental charge, or has established to the satisfaction of the Company that such tax or governmental charge has been paid. Without limiting the generality of the foregoing, the Company shall pay all fees required for same-day processing of any Notice of Exercise and all other expenses of the Company and its registrar(s) and transfer agent(s) in connection with delivery of the Warrant Shares and replacement warrants.

(v) Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

(vi) Sale of Stock by the Holder. Notwithstanding any other provision hereof, if an exercise of any portion of this Warrant is to be made in connection with a public offering of the Common Stock (pursuant to a merger, sale of stock, or otherwise), a Change of Control (as defined in the Promissory Note dated as of November 27, 2024 (the "Promissory Note"), among APLD ELN-02 Holdings LLC as the borrower and the lenders from time to time party thereto), or in connection with a tender or exchange offer for shares of Common Stock of the Company, such exercise may at the election of the Holder be conditioned upon the consummation of such transaction, in which case such exercise shall not be deemed to be effective until immediately prior to the consummation of such transaction.

Section 3. Certain Adjustments.

(a) Stock Dividends, Subdivision, Combinations and Consolidations. If the Company, at any time while this Warrant is outstanding (in whole or in part): (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock (or other class of Capital Stock of the Company then issuable upon exercise of this Warrant) or any other equity or equity equivalent securities payable in shares of Common Stock (or such other class of Capital Stock) (which, for avoidance of doubt, shall not include any shares of Common Stock (or such other class of Capital Stock) issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding shares of Common Stock (or other class of Capital Stock of the Company then issuable upon exercise of this Warrant) into a larger number of shares or (iii) combines or consolidates (including, without limitation, by reverse stock split) outstanding shares of Common Stock (or other class of Capital Stock of the Company then issuable upon exercise of this Warrant) into a smaller number of shares, then in each case the Exercise Price shall be adjusted by multiplying the Exercise Price immediately before the applicable corporate action by a fraction of which the numerator shall be the number of shares of Common Stock outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and thereafter the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or consolidation. If the Company, at any time while this Warrant is outstanding (in whole or in part) distributes rights on shares of its Common Stock (or other class of Capital Stock of the Company then issuable upon exercise of this Warrant) in connection with a shareholder rights plan, no adjustment shall be made pursuant to this Section 3 and any such rights shall accompany the Warrant Shares issued pursuant to this Warrant if such shareholder rights plan remains in effect.

(b) Reclassifications, Reorganizations, Consolidations, Mergers and Sales. In the event of (i) any capital reorganization of the Company, (ii) any reclassification or recapitalization of the stock of the Company (other than (x) a change in par value or from par value to no par value or from no par value to par value or (y) as a result of a stock dividend, subdivision, combination or consolidation of shares as to which Section 3(a) shall apply), (iii) any consolidation or merger of the Company with or into another Person (where the Company is not the surviving corporation or where there is a change in or distribution with respect to the Common Stock or any other class of Capital Stock then issuable upon exercise of this Warrant), (iv) any sale of all or substantially all of the assets of the Company, or (v) any similar transaction, this Warrant shall remain outstanding and, after such reorganization, reclassification, recapitalization, consolidation, merger, sale or similar transaction, be exercisable for the kind and number of shares of stock or other securities or property ("Alternate Consideration") of the Company or of the successor corporation resulting from such consolidation or sale, or surviving such merger, if any, to which the holder of the number of Warrant Shares underlying this Warrant (at the time of such reorganization, reclassification, recapitalization, consolidation, merger, sale or similar transaction, and subject to the limitations set forth in Section 1 and Section 2) would have been entitled upon such reorganization, reclassification, recapitalization, consolidation, merger, sale or similar transaction. In such event, the aggregate Exercise Price otherwise payable for the shares of Common Stock (or such other class of Capital Stock) issuable upon exercise of this Warrant shall be allocated among the Alternative Consideration receivable as a result of such reorganization, reclassification, recapitalization, consolidation, merger, sale or similar transaction, in proportion to the respective fair market values of such Alternate Consideration. If and to the extent that the holders of Common Stock (or such other class of Capital Stock) have the right to elect the kind or amount of consideration receivable upon consummation of such reorganization, reclassification, recapitalization, consolidation, merger, sale or similar transaction, then the consideration that the Holder shall be entitled to receive upon exercise shall be specified by the Holder, which specification shall be made by the Holder by the later of (A) ten (10) Business Days after the Holder is provided with a final version of all material information concerning such choice as is provided to the holders of Common Stock (or such other class of Capital Stock), and (B) the last time at which the holders of Common Stock (or such other class of Capital Stock) are permitted to make their specifications known to the Company; provided, however, that if the Holder fails to make any specification within such time period, the Holder's choice shall be deemed to be whatever choice is made by a plurality of all holders of Common Stock (or such other class of Capital Stock) that are not affiliated with the Company (or, in the case of a consolidation, merger, sale or similar transaction, any other party thereto) and affirmatively make an election (or of all such holders if none of them makes an election). From and after any such reorganization, reclassification, recapitalization, consolidation, merger, sale or similar transaction, all references to "Warrant Shares" herein shall be deemed to refer to the Alternate Consideration to which the Holder is entitled pursuant to this Section 3(b). The provisions of this clause shall similarly apply to successive reorganizations, reclassifications, recapitalizations, consolidations, mergers or sales.

(c) Other Distributions. During such time as this Warrant is outstanding, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of shares of Common Stock, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) other than any dividend or distribution referred to in Section 3(a) or Section 3(b) (a "Distribution"), at any time after the issuance of this Warrant, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Maximum Percentage) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the participation in such Distribution and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Maximum Percentage. To the extent that this Warrant has not been partially or completely exercised at the time of such Distribution, such portion of the Distribution shall be held in abeyance for the benefit of the Holder until the Holder has exercised this Warrant.

(d) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock (or such other Company security as is then issuable upon exercise of this Warrant) deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (or such other Company security) (excluding treasury shares, if any) issued and outstanding on such date.

(e) Notice to Holder.

(i) Adjustment to Terms of Warrant. Whenever any of the terms of this Warrant are adjusted pursuant to any provision of this Section 3 or any other applicable provision hereof, the Company shall promptly send to the Holder a notice signed by a duly authorized officer of the Company and setting forth (x) the Exercise Price, number of Warrant Shares and, if applicable, the kind and amount of Alternate Consideration purchasable hereunder after such adjustment and (y) the facts requiring such adjustment in reasonable detail.

(ii) Notice to Allow Exercise by Holder. If, during the period in which this Warrant is outstanding, (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be mailed to the Holder at its last address as it shall appear upon the Warrant Register of the Company, at least 20 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to mail such notice or any defect therein or in the mailing thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer of Warrant and Warrant Shares.

(a) Restrictive Legend. Until such time as no longer required by applicable securities laws, this Warrant and the Warrant Shares (unless and until sold in a transaction registered under the Securities Act of 1933, as amended (the "Securities Act") or, in the case of Warrant Shares, transferred pursuant to Rule 144 promulgated under the Securities Act, or any successor rule or regulation hereafter adopted by the Commission, as such rule may be amended from time to time ("Rule 144")) will be stamped or imprinted with a legend in substantially the following form:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT UNDER ANY CIRCUMSTANCES BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF WITHOUT AN EFFECTIVE REGISTRATION STATEMENT FOR SUCH

SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND ANY OTHER APPLICABLE SECURITIES LAWS OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE SECURITIES LAWS.

(b) Transferability. Subject to the provisions of Section 4(a), the Holder may sell, assign, transfer, pledge or dispose of all or any portion of this Warrant at any time or from time to time. In connection with any transfer of all or any portion of this Warrant, the Holder must provide an assignment form substantially in the form attached hereto as Exhibit B duly completed and executed by the Holder or any such subsequent Holder, as applicable, and the proposed transferee must consent in writing to be bound by the terms and conditions of this Warrant. Any transfer of all or any portion of this Warrant shall also be subject to the Securities Act and other applicable federal or state securities or blue sky laws. Upon any transfer of this Warrant in full, the Holder shall be required to physically surrender this Warrant to the Company within three (3) Trading Days of the date the Holder delivers an assignment form to the Company assigning this Warrant in full. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued; provided that if the Holder or their assignee request, and upon receipt of this Warrant, the Company shall issue each the Holder and its assignee new Warrants each providing for the purchase of the number of shares of Common Stock set forth in such request, which amounts, when taken together shall equal the number of Warrant Shares issuable under this Warrant. This Warrant or any portion thereof shall not be sold, assigned, transferred, pledged or disposed of in violation of the Securities Act, federal or state securities laws or the Company's certificate of incorporation.

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(c) Warrant Register. The Company shall register this Warrant upon records to be maintained by or on behalf of the Company for that purpose (the "Warrant Register") in the name of the record Holder hereof from time to time. Absent manifest error or actual notice to the contrary, the Company may deem and treat the Holder of this Warrant so registered as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes.

Section 5. Miscellaneous.

(a) No Rights as Stockholder Until Exercise. Except as expressly set forth herein, this Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the exercise hereof as set forth in Section 2(c).

(b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon delivery by the Holder to the Company of (i) notice of the loss, theft, destruction or mutilation of this Warrant and (ii) in the case of loss, theft or destruction, an indemnity agreement in a form and amount reasonably satisfactory to the Company or, in the case of mutilation, surrender of the mutilated Warrant, the Company will make and deliver a new Warrant of like tenor dated as of the Issue Date.

(c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then, such action may be taken or such right may be exercised on the next succeeding Business Day.

(d) Authorized Shares. The Company covenants that, during the period this Warrant is exercisable (in whole or in part), it will reserve from its authorized and unissued Common Stock, free from any preemptive rights and free from all taxes, liens and charges, a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of executing stock certificates to execute and issue the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of any national securities exchange upon which the Common Stock is listed or traded and that upon issuance, the Warrant Shares will be listed on any national securities exchange upon which the Common Stock is listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and full payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and non-assessable, not subject to any preemptive rights and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

(e) Replacement of Warrant. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and (in the case of loss, theft or destruction) upon delivery of a customary indemnity agreement reasonably satisfactory to the Company or (in the case of mutilation) upon surrender and cancellation of this Warrant, the Company will issue, in lieu thereof, a new Warrant of the same tenor and date.

(f) Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of New York without giving effect to the principles of conflict of laws thereof. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HEREWITH OR ARISING OUT OF THIS WARRANT OR ANY TRANSACTION CONTEMPLATED HEREBY.

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(g) Nonwaiver. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies.

(h) Notices. All notices referred to herein shall be in writing and, unless otherwise specified herein, all notices hereunder shall be deemed to have been given upon the earlier of receipt thereof or three (3) Business Days after the mailing thereof if sent by registered or certified mail with postage prepaid, or by private courier service addressed: (i) if to the Company, to its office at Applied Digital Corporation, 3811 Turtle Creek Blvd., Suite 2100, Dallas, Texas, 75219 (Attention: Chief Financial Officer), (ii) if to any Holder, to such Holder at the address of such Holder as listed in the stock record books of the Company or (iii) to such other address as the Company or any such Holder, as the case may be, shall have designated by notice similarly given.

(i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

(j) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

(k) Amendment. Subject to the requirements of Section 2(d)(i), this Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

(l) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

(m) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

(n) Tax Treatment. The Company and the Holder hereby acknowledge and agree that, for U.S. federal income tax purposes, the Warrant is part of an investment unit (the "Investment Unit") within the meaning of Section 1273(c)(2) of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code") that includes the loans under the Promissory Note and, if applicable, the Long Form Credit Documentation (the "Loans"). The Holder will determine, taking into consideration in good faith the reasonable comments of the Company, (i) the fair market value of the Warrants and (ii) the issue price (within the meaning of Section 1273(b) of the Internal Revenue Code) and original issue discount as defined in Section 1273 of the Internal Revenue Code applicable to the Loans, in each case, consistent with this Section 5(n) and Section 1.1273-2(h) of the United States Treasury Regulations, and the Holder will inform the Company of such determination. The parties hereto agree to report all income tax matters with respect to the Warrants consistent with this Section 5(n) and shall not take any action or file any tax return, report or declaration inconsistent herewith unless required to do so by a change in applicable law or pursuant to a final determination pursuant to Section 1313(a)(1) of the Internal Revenue Code. Prior to the issuance of this Warrant, the Holder shall provide an Internal Revenue Service Form W-9 or W-8, as applicable, to the Company. At any time thereafter, the Holder shall provide updated documentation when any documentation previously delivered to the Company has expired or becomes obsolete or invalid or otherwise upon the reasonable request of the Company.

[Signatures Contained on the Following Page]

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IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the Issue Date.

APPLIED DIGITAL CORPORATION

By: _____
Name: _____
Title: _____

[Signature Page to Common Stock Purchase Warrant]

EXHIBIT A

NOTICE OF EXERCISE

To: Applied Digital Corporation

Reference is made to that certain Common Stock Purchase Warrant (the "Warrant") issued by Applied Digital Corporation, (the "Company") on November 27, 2024. Capitalized terms used but not otherwise defined herein shall have the respective meanings given thereto in the Warrant.

The undersigned Holder of the Warrant hereby elects to exercise the Warrant for _____ Warrant Shares, subject to delivery of the aggregate Exercise Price for the Warrant Shares as to which the Warrant is so exercised.

The undersigned Holder hereby instructs the Company to issue the applicable number of Warrant Shares in the name of the undersigned Holder.

(i) The undersigned Holder hereby represents and warrants to the Company that, as of the date hereof:

1. Experience: Accredited Investor Status. The Holder (i) is an accredited investor as that term is defined in Rule 501 of Regulation D promulgated under the Securities Act, (ii) is capable of evaluating the merits and risks of its investment in the Company, (iii) has the capacity to protect its own interests, and (iv) has the financial ability to bear the economic risk of its investment in the Company.
2. Company Information. The Holder has been provided access to all information regarding the business and financial condition of the Company, its expected plans for future business activities, material contracts, intellectual property, and the merits and risks of its purchase of the Warrant Shares, which it has requested or otherwise needs to evaluate an investment in the Warrant Shares. It has had an opportunity to discuss the Company's business, management and financial affairs with directors, officers and management of the Company and has had the opportunity to review the Company's operations and facilities. It has also had the opportunity to ask questions of, and receive answers from, the Company and its management regarding the terms and conditions of this investment and all such questions have been answered to its satisfaction.
3. Investment. The Holder has not been formed solely for the purpose of making this investment and is acquiring the Warrant Shares for investment for its own account, not as a nominee or agent, and not with the view to, or for resale in connection with, any distribution of any part thereof. It understands that the Warrant Shares have not been registered under the Securities Act or applicable state and other securities laws and are being issued by reason of a specific exemption from the registration provisions of the Securities Act and applicable state and other securities laws, the availability of which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of its representations as expressed herein.
4. Transfer Restrictions. The Holder acknowledges and understands that (i) transfers of the Warrant Shares are subject to transfer restrictions under the federal securities laws and (ii) it may have to bear the economic risk of this investment for an indefinite period of time unless the Warrant Shares are subsequently registered under the Securities Act and applicable state and other securities laws or unless an exemption from such registration is available.

Exhibit A-1

Name of Registered Owner: _____

Signature of Authorized Signatory of Registered Owner _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____

Exhibit A-2

EXHIBIT B

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name: _____ (Please Print)

Address: _____

Dated: ____/____/____ (Please Print)

Holder's Signature: _____

Holder's Address: _____

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) IS A TYPE OF INFORMATION THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL. [*] INDICATES THAT INFORMATION HAS BEEN REDACTED.**

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT AND APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN APPLICABLE EXEMPTION FROM THE REGISTRATIONS REQUIREMENTS OF SUCH ACT AND SUCH LAWS.

FURTHERMORE, THIS NOTE WAS ISSUED WITH "ORIGINAL ISSUE DISCOUNT" AS DEFINED IN SECTION 1273 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED ("OID"). YOU MAY OBTAIN INFORMATION REGARDING THE AMOUNT OF OID, THE ISSUE PRICE, THE ISSUE DATE AND THE YIELD TO MATURITY BY CONTACTING THE ISSUER AT ITS ADDRESS SET FORTH IN SECTION 8.

PROMISSORY NOTE

\$150,000,000.00

Date: November 27, 2024

APLD ELN-02 Holdings LLC, a Delaware limited liability company (the "Company") hereby unconditionally promises to pay to Macquarie Equipment Capital, Inc. (together with any permitted assignee or transferee of this Note, "Lender") at the principal office of Lender located at 660 Fifth Avenue, New York, NY 10103 the principal sum of (a) ONE HUNDRED FIFTY MILLION DOLLARS (\$150,000,000.00) in the lawful currency of the United States of America (the "Loan"), together with (i) any amounts necessary to achieve the Base Return, (ii) interest on the unpaid principal amount hereof from time to time outstanding from the date hereof until the date on which this Note (the "Note") is paid in full in cash, at the rate set forth in Section 2 below and (iii) any other amounts then due and payable hereunder.

Section 1. Definitions. As used in this Note, the terms set forth in Annex A have the meanings herein as specified in Annex A.

Section 2. Note Terms.

(a) Loan and Warrant.

- (i) Loan. Subject to the terms and conditions set forth in this Note and in reliance upon the representations and warranties of the Credit Parties set forth herein and in the other Note Documents, the Lender agrees to advance to the Company on the Closing Date the Loan. Any amounts extended under this Note and repaid or prepaid may not be re-extended or reborrowed.

- (ii) Warrant Issuance. On the Closing Date, the Company shall cause the Sponsor to issue to the Warrant Holder a Warrant (the "Warrant") in respect of 1,035,197 shares of Common Stock of the Sponsor.

(b) Maturity Date. All principal and accrued interest on the unpaid principal of this Note will be due and payable in immediately available funds upon the earlier of (i) the date of acceleration of the Loan hereunder or (ii) May 27, 2026 (the "Maturity Date").

(c) Withholding.

- (i) Any and all payments made by the Company under this Note shall be made free and clear of and without deduction or withholding for any Taxes or Other Taxes. If the Company shall be required by law to deduct or withhold any Taxes or Other Taxes from or in respect of any sum payable under this Note, then (i) unless such Taxes are Excluded Taxes, the sum payable shall be increased by such additional amounts as may be necessary so that after making all required deductions and withholdings (including deductions and withholdings applicable to additional sums payable under this Section 2(c)), the Lender receives an amount equal to the sum it would have received had no such deductions or withholdings been made, (ii) the Company shall make such deductions or withholdings and (iii) the Company shall pay the full amount deducted or withheld to the relevant taxation authority or other Governmental Authority in accordance with applicable law.
- (ii) The Company shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Lender timely reimburse it for the payment of, any Other Taxes.
- (iii) On or about the date on which any Lender becomes a Lender under this Note, such Lender shall provide to the Company a valid and duly executed Internal Revenue Service Form W-9 or W-8, as applicable. At any time thereafter, the Lender shall provide updated documentation when any documentation previously delivered to the Company has expired or becomes obsolete or invalid or otherwise upon the reasonable request of the Company.

(d) Tax Treatment. The Company and the Lender hereby acknowledge and agree that, for U.S. federal income tax purposes, the Warrant issued with this Note is, in each case, issued as part of an investment unit (the "Investment Unit") within the meaning of Section 1273(c)(2) of the Internal Revenue Code of 1986, as amended (the "Code") that includes this Note and the Warrant. The Lender will determine (i) the fair market value of the Warrant and (ii) the issue price (within the meaning of Section 1273(b) of the Code) and original issue discount as defined in Section 1272 of the Code applicable to the loan issued with the Warrant, in each case, consistent with this Section 2(d) and Section 1.1273-2(h) of the Treasury Regulations, and the Lender will inform the Company of such determination. The parties hereto agree to report all income tax matters with respect to the loan made under this Note and the Warrant consistent with this Section 2(d) and shall not take any action or file any tax return, report or declaration inconsistent herewith unless required to do so by a change in applicable law or pursuant to a final determination pursuant to Section 1313(a)(1) of the Code.

(e) Interest. The Loan shall bear interest at a rate equal to the Applicable Margin. Interest shall be calculated on the basis of a 360-day year and 30-day months for actual days elapsed. The Secured Obligations shall automatically bear interest, after as well as before judgment, from the date of occurrence of any Event of Default until such Event of Default is no longer continuing, at a rate per annum equal to (i) in the case of principal of any Loan, (A) fourteen and three quarter percent (14.75%) per annum during the thirty (30) day period after such date and (B) thereafter, sixteen and three quarter percent (16.75%) per annum, in each case for clauses (A) and (B) plus the rate otherwise applicable to the Loan or (ii) in the case of any other amounts, the sum of the rate of interest applicable to Loan plus an additional (A) two percent (2.0%) per annum during the thirty (30) day period after such date and (B) thereafter, four percent (4.0%) per annum, on such amount (the "Post-Default Rate"). In no event shall the interest rate applicable at any time to this Note exceed the maximum rate permitted by law. Accrued interest on the Loan shall be payable in arrears on each Monthly Date in cash; provided that (i) Post-Default Rate interest accrued pursuant to this Section shall be payable in cash on demand and (ii) in the event of any repayment or prepayment of the Loan (including on the Maturity Date, upon acceleration or otherwise), accrued interest on the principal amount repaid or prepaid and all accrued commitment fees shall be payable on the date of

such repayment or prepayment.

(f) Prepayments.

- (i) The Company may prepay all or part of this Note at any time with no less than three (3) Business Days' notice with accrued interest to the date of prepayment on the principal amount prepaid.
- (ii) Immediately upon the receipt of net cash proceeds by, or on behalf of, the Company or any of its Subsidiaries in respect of the issuance or incurrence of Indebtedness not permitted under the Note Documents, the Company shall apply such net cash proceeds received from such issuance or incurrence of Indebtedness upon receipt thereof to prepay the outstanding principal balance of this Note with accrued interest to the date of prepayment on the principal amount prepaid.
- (iii) Upon a Change of Control, the Company shall prepay the full outstanding principal balance of this Note together with (A) accrued interest to the date of prepayment on the principal amount prepaid and (B) any other amounts then due and payable hereunder.
- (iv) If the ELN-02 Project is not completed by December 6, 2025, the Company shall prepay the full outstanding principal balance of this Note together with (A) accrued interest to the date of prepayment on the principal amount prepaid and (B) any other amounts then due and payable hereunder.

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- (v) Within 15 days of the due date of delivery of any ELN-02 Project Construction Budget and Schedule if such ELN-02 Project Construction Budget and Schedule shows that the actual expenditures (on a GAAP basis) in respect of the ELN-02 Project is not, for the two most recent calendar month period ended, at least 80% of the forecasted expenditures (on a GAAP basis) and no Extraordinary Delay Event existed during such two calendar month period, the Company shall prepay the full outstanding principal balance of this Note together with (A) accrued interest to the date of prepayment on the principal amount prepaid and (B) any other amounts then due and payable hereunder.
- (vi) Prepayments pursuant to this Section 2(f) shall, with respect to the portion of the Loan then being prepaid, in each case, be accompanied by the payment of amounts sufficient to achieve the Base Return with respect to the amount of the Loan being prepaid.

(g) Application of Payments. Except as otherwise provided herein with respect to prepayments, all payments on this Note shall be applied to the payment of accrued interest before being applied to the payment of principal (including in respect of amounts sufficient to achieve the Base Return). Any payment which is required to be made on a day which is not a Business Day shall be payable on the next succeeding Business Day and such additional time shall be included in the computation of interest.

(h) Base Return. Prepayments permitted or required under this Section 2 (including, for avoidance of doubt, any prepayments of the Loan occurring after acceleration of the Loan pursuant to Section 6 and any other prepayments of the Loan), shall be accompanied by an amount sufficient to achieve the Base Return with respect to the portion of the Loan being prepaid.

Section 3. Representations and Warranties of the Company. To induce Lender, in its sole discretion, to make the Loan, the Company represents, warrants and covenants to Lender and the other Secured Parties the following, and pursuant to the other Note Documents (including the Parent Loan Guarantee) to which a Credit Party is a party, such Credit Party represents, warrants and covenants to Lender, the following as of the date of this Note, and any other date such representations, warranties and covenants are required to be made:

(a) Organization; Powers. Each Credit Party (a) is a legal entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has all requisite power and authority, and has all governmental licenses, authorizations, consents and approvals necessary, to own its assets and to carry on its business as now conducted, and (c) is qualified to do business in, and is in good standing in, every jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification, except in the case of this clause (c) where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

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(b) Authority; Enforceability. The execution, delivery and performance of the Note Documents to which it is a party and the transactions contemplated thereby are within each Credit Party's corporate, limited partnership, limited liability company or other organizational powers, as applicable, and have been duly authorized by all necessary corporate, limited partnership, limited liability company or other organizational, as applicable, and, if required, shareholder, partner or member action, as applicable (including any action required to be taken by any class of directors of any Credit Party or any other Person, whether interested or disinterested, in order to ensure the due authorization of the Note Documents). Each Note Document to which any Credit Party is a party has been duly executed and delivered by such Credit Party and constitutes a legal, valid and binding obligation of such Credit Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(c) Approvals; No Conflicts. Neither the execution and delivery of this Note or the other Note Documents by any Credit Party, nor the consummation of the transactions herein or therein contemplated or compliance with the terms and provisions hereof or thereof by any of them, (a) require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority or any other third Person (including holders of its Equity Interests or any class of directors or managers, whether interested or disinterested, of any Credit Party or any other Person), nor is any such consent, approval, registration, filing or other action necessary for the validity or enforceability of any Note Document or the consummation of the transactions contemplated thereby, except such as have been obtained or made and are in full force and effect other than the recording and filing of the Security Documents as required by the Note Documents, (b) will violate (i) in any material respect, any applicable law or regulation or (ii) any organizational document of any Credit Party or any order of any Governmental Authority, (c) will not violate or constitute a material default under or result in any material breach of any indenture, agreement or other instrument binding upon any Credit Party or any of its Properties (including the material contracts relating to the development, construction and operation of the data center facilities owned by the Company or any of its Subsidiaries and agreements evidencing Indebtedness of the Company or any of its Subsidiaries), or give rise to a right thereunder to require any payment to be made by such Credit Party and (d) will not result in the creation or imposition of any Lien on any Collateral or any other Property of any Credit Party (other than the Liens created by the Note Documents).

(d) No Material Adverse Effect. Since February 28, 2024 there has been no event, development or circumstance that has had or could reasonably be expected to have a Material Adverse Effect. Each of the Credit Parties has disclosed to the Lender all material agreements, instruments and corporate or similar restrictions to which it or any of its Subsidiaries is subject to the extent such agreements, instruments or restrictions relate to the Note Documents and the transaction contemplated thereby or the Projects, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect.

(e) Litigation. There are no material actions, suits, investigations or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of any Credit Party, threatened by, against or affecting any Credit Party, any Project or their respective Properties or revenues (a) which, either individually or in the aggregate, could reasonably be expected to result in liability exceeding (i) \$15,000,000 in the case of the Note Parties or (ii) \$30,000,000 in the case of the Sponsor, or (b) that involve any Note Document, Material Project Document or the transactions contemplated thereby.

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(f) Compliance with Law. Each of the Credit Parties is in compliance with all Governmental Requirements applicable to it or its Property and all agreements and other instruments binding upon it or its Property, and possesses all licenses, permits, franchises, exemptions, approvals and other governmental authorizations necessary for the ownership of its Property and the conduct of its business, in each case other than where the failure to do so could reasonably be expected to result in a Material Adverse Effect. All permits for each Project that are required for the current stage of development, construction and operation of such Project (including all permits for the construction of the ELN-02 Project in accordance with the plans and specifications of such Project) by the date this representation is made have been duly obtained and are in full force and effect and no appeal of such permits are pending and such permits are not be subject to any unsatisfied conditions that would reasonably be expected to allow for material modification or revocation or otherwise have a material and adverse effect on such Project and the Credit Parties are in material compliance with all such permits.

(g) Investment Company Act. No Credit Party is an "investment company" or a company "controlled" by an "investment company," within the meaning of, or subject to regulation under, the Investment Company Act of 1940, as amended.

(h) Ownership; Properties. The ownership chart set forth in Annex B sets forth the true, complete and accurate structure and ownership of Parent, the Company and each Subsidiary of the Company as of the Closing Date. Each Credit Party has good title to all of the Equity Interests it purports to own, free and clear in each case of any Lien. All Equity Interests of the Note Parties have been validly issued, and all such Equity Interests are fully paid and non-assessable and were offered and issued in compliance with applicable laws. There are no options, warrants or other rights outstanding to purchase any Equity Interests of the Company or its Subsidiaries. Each of the Note Parties has (i) good and marketable fee simple title in its real property and (ii) good title to all of its personal Property and the Parent has good title to all the Collateral pledged by it under the Note Documents.

(i) Security Documents. Each Security Document, upon execution and delivery thereof, is effective to create in favor of the Lender, legal, valid and enforceable Liens on, and security interests in, all of the Collateral thereunder, and when all appropriate filings or recordings are made in the appropriate offices as may be required under applicable Governmental Requirements or upon the taking of possession or control by the Lender of Equity Interests and other Collateral, if any, with respect to which a security interest may be perfected by possession or control, such Security Documents will constitute fully perfected Liens on, and security interests in, all right, title and interest of the Credit Parties in such Collateral.

(j) Use of Proceeds. The Credit Parties are not engaged principally, or as one of its or their important activities, in the business of extending credit for the purpose, whether immediate, incidental or ultimate, of buying or carrying margin stock (within the meaning of Regulation T, U or X of the Board). No part of the proceeds of the Loan will be used by any Credit Party or any of their Subsidiaries for any purpose which violates the provisions of Regulation T, U or X of the Board.

(k) Solvency. After giving effect to the issuance of this Note and the transactions contemplated by the Note Documents on the Closing Date, (a) the Company and its Subsidiaries, on a consolidated basis, are Solvent and (b) the Sponsor and its Subsidiaries, on a consolidated basis, are Solvent.

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(l) No Default. None of the Credit Parties or any of their Subsidiaries is in material default nor has any event or circumstance occurred which would constitute a default under any Material Project Document or indenture, note, credit agreement or instrument by which any Credit Party or any of their Properties is bound. No Default or Event of Default has occurred and is continuing both before and after giving effect to the transactions contemplated by the Note Documents.

(m) ESA. Each Electric Service Agreement with Montana-Dakota Utilities Co. with respect to the Projects is in full force and effect, all conditions precedent required to receive services from Montana-Dakota Utilities Co. have been satisfied, including but not limited to North Dakota Public Service Commission approvals, and to the Credit Parties' knowledge, Montana-Dakota Utilities Co. will be able to satisfy the Company and/or its applicable Affiliate's service delivery obligations under all of its management service agreements with crypto mining customers and the potential lease agreement outlined in letters of intent with respect to the ELN-02 Project, including to deliver an incremental 225 MW to ELN-02 Project, if not already complete.

(n) Operations. The (i) rights granted to the Company pursuant to the Material Project Documents to which it is a party, (ii) its real property rights and (iii) permits and utility services (including electric power supply) it has obtained (or, other than in the case of electric power supply, are otherwise available to the Company on commercially reasonable terms as and when required) together are sufficient to (A) enable the ELN-02 Project to be located, constructed, operated and routinely maintained in all material respects as contemplated by (x) the Note Documents, (y) the Material Project Documents applicable to such Project, and (z) any lease agreement (or equivalent agreement) entered into with any tenant at the ELN-02 Project (or, prior to entering into the definitive lease, any potential lease agreement (or equivalent agreement) outlined in letters of intent with prospective tenants with respect to the ELN-02 Project based solely on the terms of any such letters of intent), and (B) provide adequate ingress and egress for any reasonable purpose in connection with the construction of such Project. To the Credit Parties' actual knowledge, all of the utilities and other communications access, including, without limitation, electric power supply and fiber optics access, at each Project meet or exceed the access and capacity requirements of each lease agreement or master supply agreement, as applicable, for its proposed use under such lease agreement or master supply agreement, in each case, as required thereunder. More than two fiber carriers maintain long-haul fiber lines connected to the ELN-02 Project site, which fiber lines have sufficient capacity to fully service the initial 100 MW being constructed at the ELN-02 Project. The Credit Parties have all insurance policies sufficient for the compliance by it with all material Governmental Requirements and all material agreements, including all Material Project Documents and in at least amounts and against such risk (including public liability insurance) that are usually insured against by companies similarly situated and engaged in the same or a similar business for the assets and operations of the Company and its Subsidiaries.

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(o) Environmental. The Projects and other Properties of the Company and its Subsidiaries, are in compliance with all applicable Environmental Laws in all material respects, the Company and each of its Subsidiaries has operated its Projects and other Properties in compliance with all applicable Environmental Laws in all material respects, and to the knowledge of the Credit Parties, the Projects and other real property Properties of the Company and each of its Subsidiaries were operated in compliance with applicable Environmental Laws and not subject to a required remediation of an environmental condition in accordance with applicable Environmental Laws prior to the acquisition thereof. There are no written notices, claims, orders, proceedings, or investigations or requests for information concerning any actual or alleged material violation of, or any material liability or obligation (including as a potentially responsible party) under, any Environmental Law that is pending or, to the knowledge of the Credit Parties, threatened against the Company or any of its Subsidiaries, or any of their respective Projects or other Properties, or as a result of any operations at such Projects or other Properties, and to the knowledge of the Credit Parties there are no conditions or circumstances that would reasonably be expected to result in the receipt of notices, claims, orders, proceedings, investigations, requests for information or proceedings in any material respect. There has been no discharge, release or, to the knowledge of the Credit Parties, threatened release, of any Hazardous Material by the Company or any of its Subsidiaries or any Person at, on, under or from any Project or other Properties owned, leased or operated by the Company or any of its Subsidiaries, and there are no remediations, abatements, removals, or monitorings of Hazardous Materials, as required under applicable Environmental Laws at the Projects or such Properties.

Section 4. Covenants. Until Payment in Full:

(a) Financial and Other Information.

- (i) Promptly after the furnishing thereof, the Company shall, and shall cause the Sponsor and the Company to, provide copies of any audited or unaudited financial statement (including segment reporting to the extent not already included in the financial statements of the Sponsor), report, compliance certificates or default notice furnished to or by any Person pursuant to the terms of any indenture, loan or credit or other similar material agreement of any Credit Party.
- (ii) Within ten (10) days after the end of each calendar month after the Closing Date, and as may be updated by the Company from time to time, a construction progress report for the ELN-02 Project in a form acceptable to the Lender, which report shall include (1) an update on compliance with the milestones set forth in the construction budget and schedule delivered to the Lender on the Closing Date (which budget shall include the Company's internal budget with a forecast delivery date of December 2025 that an officer of the Company reasonably believes is achievable) (the "ELN-02 Project Construction Budget and Schedule") and, if any such milestone is not expected to be achieved or timely achieved, the reasons therefor, (2) the status of construction of such Project (and a description of any material defects or deficiencies), and (3) any material variance from the ELN-02 Project Construction Budget and Schedule and anticipated cost overruns. The Company shall have the right to revise or update the ELN-02 Project Construction Budget and Schedule at anytime and upon any such revision or update, the Company shall provide the same to Lender.

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- (iii) Promptly upon request of the Lender, drafts of letters of intent, term sheets and lease agreement with any potential tenant at the ELN-02 Project.
- (iv) Phase I environmental site assessment ("ESA") reports, and if such Phase I ESA revealed (or reveals) any condition that so warranted (or warrants), a Phase II ESA, and any other environmental reports relating to the Projects.

(b) Material Notices. Promptly (but, in any event, no later than five (5) Business Days) after obtaining knowledge thereof or following the delivery thereof, as applicable, the Company will:

- (i) provide written notice of the occurrence of any Default or Event of Default,
- (ii) provide written notice of any material casualty event relating to a Project,
- (iii) provide written notice of the filing or commencement of, or the threat in writing of, any action, suit, proceeding, investigation or arbitration by or before any arbitrator or Governmental Authority against or affecting any Credit Party not previously disclosed in writing to the Lender or any material adverse development in any action, suit, proceeding, investigation or arbitration (whether or not previously disclosed to the Lender) that, in either case, if adversely determined, could reasonably be expected to (A) result in potential liability of \$10,000,000, individually or in the aggregate, or more or (B) have a Material Adverse Effect,
- (iv) provide written notice of (A) any material default or event or condition that constitutes a material default or event of default or a termination event or event or condition that permits termination under any Material Project Document or agreement evidencing material Indebtedness of the Parent, the Company and its Subsidiaries, (B) any notice of termination or assignment (or notice of intent to terminate or assign) or notice of material default or waiver received or given, under, or in connection with, any Material Project Document, or any other material notice under, or in connection with, any Material Project Document, (C) any termination or material amendment, change order or modification of, or material waiver or consent under, any Material Project Document, and in each case, a copy of such termination, amendment, change order, modification, waiver or consent, (D) any material amendment, modification, waiver or other change to any agreement evidencing material Indebtedness of any Note Party and (E) any new material project agreement entered into in respect of the Projects (together with full, correct and complete copies of all such agreements),
- (v) upon the actual knowledge of any of the Chief Executive Officer, Chief Administrative Officer or Chief Financial Officer of the Company of any material workers' health and safety incident, provide written notice of such incident no later than fifteen (15) Business Days following obtaining such knowledge, and

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- (vi) provide written notice of any other development or circumstance that results in, or could reasonably be expected to result in, a Material Adverse Effect.

(c) Other Requested Information. Promptly following any request therefor, such other information regarding the operations, business affairs, prospects and financial condition of the Credit Parties and their Subsidiaries (including with respect to beneficial ownership of the Company and its parent companies) or compliance with the terms of this Note or any other Note Document, material project document, existing debt document as the Lender, acting reasonably, may request.

(d) Existence; Conduct of Business. The Company will, and will cause each of other Credit Party to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect (i) its legal existence and (ii) the rights, licenses, permits, privileges and franchises material to the conduct of its business and maintain, if necessary, its qualification to do business in each other jurisdiction in which its Properties are located or the ownership of its Properties requires such qualification. The Company, at its own expense, will, and will cause each of its Subsidiaries to, (A) keep each Project, or cause the same to be kept, in good condition consistent in all material respects with prudent industry practice and Material Project Documents, and make or cause to be made all repairs (ordinary wear and tear excepted) necessary to keep each Project in such condition and (B) at all times construct or operate such Project, or cause the same to be constructed or operated, as applicable, in all material respects in a manner consistent with the Material Project Documents relating to such Project and prudent industry practice and in compliance with all permits and Governmental Requirements in all material respects.

(e) Compliance with Laws. The Company will, and will cause each other Credit Party to, comply with its Organizational Documents and all laws, rules, regulations and orders of any Governmental Authority applicable to it or its Property in all material respects. Without limiting the generality of the foregoing, the Company will, and will cause each of its Subsidiaries to, obtain and maintain permits that are required for the current stage of development, construction and operation of each Project as and when required under applicable Governmental Requirements and comply in all material respects with all such permits.

(f) Use of Proceeds.

- (i) The Company shall use the proceeds of the Loan to pay transaction costs, (i) to pay the outstanding loan amount owed to CIM APLD Lender Holdings, LLC, and YA II PN, LTD., (ii) to pay transaction expenses in connection with the Note Documents and (iii) for general corporate working capital purposes.

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- (ii) The Company will not use, directly or indirectly, the proceeds of the Loan, or lend, contribute or otherwise make available such proceeds to any Credit Party, joint venture partner or other Person, (A) to its knowledge, in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any applicable Anti-Corruption Laws, (B) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, in each case in violation of applicable Sanctions or (C) in any manner that would result in the violation of Sanctions by any Person participating in the transactions contemplated hereunder, whether as underwriter, advisor, lender, investor or otherwise.

(g) Further Assurances. The Company, at its sole expense, will, and will cause each other Credit Party to, promptly execute and deliver to the Lender all such other documents, agreements and instruments reasonably requested by the Lender to comply with or accomplish the conditions precedent, covenants and agreements of the Credit Parties in the Note Documents, or to further evidence and more fully describe the Collateral intended as security for the Secured Obligations, or to correct any omissions in the Security Documents, or to state more fully the obligations secured therein, or to perfect, protect or preserve any Liens created pursuant to the Security Documents or the priority thereof, or to make any recordings, file any notices or obtain any consents, all as may be reasonably necessary or appropriate, in the reasonable discretion of the Lender, in connection therewith.

(h) Credit and Collateral Related Covenants.

- (i) [Reserved].
- (ii) [Reserved].
- (iii) [Reserved].
- (iv) Mortgages: Title. By January 31, 2025 (or such longer period as agreed by the Lender in its reasonable discretion), the Company shall have delivered, or cause to have been delivered, to the Lender the following:
- (A) [Reserved];
- (B) the Title Insurance Policies along with (i) evidence reasonably acceptable to the Lender of payment by the Company of all applicable premiums, search and examination charges, escrow charges and expenses required for the recording of the Mortgages and issuance of the Title Insurance Policies; and (ii) such affidavits, certificates, information (including financial data) and instruments of indemnification (including a so-called “gap” indemnification) as shall be required to induce the Title Company to issue the Title Insurance Policies;

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- (C) a survey of each mortgaged Project (a) prepared by a licensed surveyor reasonably acceptable to Lender (Ulteig is hereby deemed acceptable), (b) dated or re-certificated not earlier than four (4) months prior to the date of such delivery or such other date as may be reasonably satisfactory to the Lender, together with a “no change” affidavit or certification to Lender and the Title Company in sufficient form to permit the Title Company to delete the standard survey exception and provide such survey related endorsements as Lender shall require, (c) certified to the Lender and the Title Company, which certification shall be reasonably acceptable to the Lender and (d) complying with current “Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys,” jointly established and adopted by American Land Title Association, and the National Society of Professional Surveyors (except for such deviations as are reasonably acceptable to the Lender), provided that surveys including Items 1, 2, 3, 4, 6(a), 6(b), 7(a), 7(b)(1), 7(c), 8, 9, 11(a), 13, 16, 17, 18 and 19 of Table A of the current “Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys” shall be deemed sufficient for purposes of this requirement, and with respect to any Project under active construction, such survey may not depict improvements that are not completed as of the date of the field work provided that such field work was completed not earlier than four (4) months prior to the date of such certification or re-certification or such other date as may be reasonably satisfactory to the Lender; and
- (D) (i) “Life-of-Loan” Federal Emergency Management Agency Standard Flood Hazard Determination with respect to each mortgaged Project; and (ii) in the event any such property is located in an area identified by the Federal Emergency Management Agency (or any successor agency) as a Special Flood Hazard Area, (A) a notice about special flood hazard area status and flood disaster assistance, duly executed by the applicable Credit Party, (B) evidence of flood insurance with a financially sound and reputable insurer, naming the Lender, as mortgagee, in an amount and otherwise in form and substance reasonably satisfactory to the Lender, and (C) evidence of the payment of premiums in respect thereof in form and substance reasonably satisfactory to the Lender.
- (v) Purchase Orders. The Company shall, and shall cause each other Credit Party to, ensure that all purchase orders in respect of the Project are made by the Company and equipment purchased for the purposes of the Project are purchased by the Company or its Subsidiaries.

(i) Indebtedness. The Company will not incur, create, assume or suffer to exist, or permit any other Note Party to incur, create, assume or suffer to exist, any Indebtedness, except: (i) the Secured Obligations arising under the Note Documents or any guarantee of the Secured Obligations arising under the Note Documents; (ii) Indebtedness of the Company outstanding on the Closing Date as set forth on Annex E; (iii) the ELN-02 Senior Project Debt that has been approved in writing by the Lender after the Closing Date; (iv) subject to Section 4(p) below, intercompany Indebtedness and (v) other Indebtedness approved by the Lender; provided that the Note Parties (other than the Parent) may incur Indebtedness where the proceeds thereof are primarily used for the ordinary course operation of the business of the Company and not to exceed, in the aggregate at any time outstanding, \$20,000,000.

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(j) Liens. The Company will not permit any Note Party to incur, create, assume or suffer to exist, any Lien on any of their respective Properties (now owned or hereafter acquired), except:

- (i) Liens securing Secured Obligations pursuant to the Security Documents;
- (ii) Excepted Liens;
- (iii) Liens on assets of any Note Party (other than Liens on the Collateral) securing obligations under Indebtedness permitted under Section 4(i)(ii) as in effect on the Closing Date; and
- (iv) Liens purportedly arising from precautionary Uniform Commercial Code financing statement filings made in respect of operating leases of personal property entered into by any Company in the ordinary course of business.

(k) Dispositions. The Company will not permit any other Note Party to sell, assign, convey or otherwise transfer or dispose of any Property except for: (i) the sale of spare parts in the ordinary course of business (other than any spare parts relating to transformers) and where such spare parts are not useful or necessary for the operation of any

data center or crypto mining facility or that are replaced by assets of equal suitability, quality and value; (ii) assets that are worthless or obsolete or worn out, or are no longer used or useful in the conduct of its business, in each case in the ordinary course of business; (iii) to the extent constituting dispositions, settlements of accounts receivable pursuant to bona fide collection efforts and (iv) dispositions in the ordinary course of business; provided that the aggregate book value of all property disposed of, conveyed, assigned or otherwise transferred pursuant to this clause (k)(iv) in any fiscal year shall not exceed \$20,000,000.

(l) Subsidiaries. The Company will not establish or maintain any Subsidiaries other than (i) Subsidiaries existing on the Closing Date and (ii) Subsidiaries (x) wholly owned by the Company or (y) owned by the Company and one or more Macquarie Entities, which has become a Credit Party including by executing and delivering joinder agreements satisfactory to the Lender.

(m) Restricted Payments; Other Payment Restrictions. Neither the Company nor any Subsidiary of the Company shall declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except (a) that Subsidiaries of the Company may declare and pay dividends ratably with respect to their equity interests and (b) for Restricted Payments which do not exceed \$20,000,000 in the aggregate until the Maturity Date.

The Company shall not, and shall not permit any other Credit Party to, direct any payments under master services agreements, leases or similar customer agreements that are, in each case, for a Project to be made to any entity other than the Company or, if approved by the Lender, a Subsidiary of the Company.

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(n) Organizational Documents; Material Project Documents. The Company will not, and will not permit any of its Subsidiaries or Parent to, amend or otherwise modify (or permit to be amended or modified) its Organizational Documents, or take any action that would impair its rights under its Organizational Documents, in each case, in a manner that would be adverse to such Note Party or adverse to the Lender (as reasonably determined by the Lender); provided that any amendment or other modification to any Organizational Documents of any Note Party that changes the provisions relating to permissibility or terms of the pledge, transfer and foreclosure rights of the Lender, or any other rights or limitations in any Organizational Documents with respect to which a change would require consent of a secured creditor, shall be deemed adverse to the Lender (it being understood that any amendment, modification or revocation of any resolution or other documentation that implements such provisions, to the extent implementing such provisions, shall be deemed an amendment to such Organizational Documents). The Company will not, and will not permit any of its Subsidiaries or Parent to, terminate (or consent to be terminated) or amend, waive or otherwise modify (or permit to be amended, waived or modified) in any material and adverse manner, any lease agreement (or equivalent agreement) entered into with any tenant in respect of the ELN-02 Project or any electric services agreement or other agreement for material utility services related to the Projects in each case without the consent of the Lender (not to be unreasonably withheld or delayed).

(o) Permitted Structure Changes. Notwithstanding anything to the contrary in this Note or the other Note Documents, in connection with the preparation of the structure of the Company and its Subsidiaries for a preferred equity investment related to the ELN-02 Project, the Lender agrees that the Company may (i) form additional Subsidiaries to facilitate the development of the several phases of the ELN-02 Project; provided that (A) the Company shall provide to the Lender reasonable prior notice of any proposed changes to the corporate structure of the Company together with a written description of the proposed restructuring plan and steps; (B) after giving effect thereto, 100% of the Equity Interests in all such Subsidiaries shall be owned, directly or indirectly, by the Company and/or one or more Macquarie Entities and each newly formed Subsidiary shall be deemed a Note Party under the Note Documents; (C) the Organizational Documents of such Subsidiaries shall be satisfactory to the Lender; (D) all of the Collateral shall remain pledged and subject to the Lien of the Security Documents after giving effect thereto and otherwise there shall be no adverse effect on the Collateral, and the Company shall cause the Equity Interests in, and all assets of, each such new Subsidiary to be pledged and subject to the Lien of the Lender pursuant to the Security Documents, including by executing and delivering joinder agreements and amending or executing new mortgages, in each case in form and substance reasonably satisfactory to the Lender, and (E) the Company shall, and shall cause its Subsidiaries to, take all other actions (including the recording of mortgages, the filing of UCC financing statements, the giving of notices and the endorsement of notices on title documents) as may be necessary or reasonably requested in connection therewith and provide such other corporate documents, certificates and legal opinions as may be reasonably requested by the Lender. In addition, it is understood that, for avoidance of doubt, the Company may optionally prepay the Note in full at any time, including when a Default or Event of Default exists.

(p) Transactions with Affiliates. The Company will not, and will not permit any of its Subsidiaries or Parent to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (i) in the ordinary course of business at prices and on terms and conditions not less favorable to the Company, the Parent or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties and (ii) any Restricted Payment permitted by clause (n) above, and (iii) the subdivision of parcels and the transfer of such parcels or property thereon to one or more Affiliates of the Company that are Note Parties.

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(q) ELN-02 Project Development. The Company shall use commercially reasonable efforts to develop the ELN-02 Project in a timely manner.

Section 5. Closing Date. On or prior to the date hereof (the "Closing Date"), the Company certifies that it has satisfied the conditions precedent listed in Annex D hereof.

Section 6. Events of Default. One or more of the following events shall constitute an "Event of Default":

(a) default in payment when due and payable, upon redemption, acceleration or otherwise, of principal (including in respect of the Base Return) of, or premium, on this Note or any other Note Document and such default shall continue unremedied for a period of two (2) Business Days;

(b) default in the payment when due of interest on or with respect to this Note or any other amount in respect of or in connection with this Note and such default shall continue unremedied for a period of three (3) Business Days;

(c) any representation or warranty made or deemed made by or on behalf of any Credit Party in or in connection with any Note Document or any amendment or modification of any Note Document or waiver under such Note Document, or in any certificate, financial statement or other document required to be delivered in connection with any Note Document or any amendment or modification thereof or waiver thereunder, shall prove to have been incorrect in any material respect when made or deemed made;

(d) any Note Party shall fail to observe or perform any covenant, condition or agreement applicable to it (i) contained in Section 4(b)(i), Section 4(d), Section 4(f), Section 4(h)(iv) and (v), Section 4(i), Section 4(j), Section 4(k), Section 4(m), Section 4(n) and Section 4(p) of this Note, or (ii) contained in the Parent Loan Guarantee;

(e) any Note Party shall fail to observe or perform any covenant, condition or agreement contained in this Note (other than those specified in clauses (a) through (d) above) or any other Note Document and such failure shall continue unremedied for a period of thirty (30) days following the earlier of (i) any Note Party's knowledge of the failure and (ii) the receipt by the Company of written notice thereof from the Lender;

(f) (i) any Note Party shall fail to make any payment in respect of Indebtedness (except Indebtedness referenced in clause (d) of the definition thereof) in an aggregate principal amount of \$30,000,000 or more, in the case of any Note Party when and as the same shall become due and payable, after taking any applicable grace periods and any written waivers of the requisite lenders of such Indebtedness with respect to thereto into account, (ii) any event or condition occurs that results in Indebtedness (except Indebtedness referenced in clause (d) of the definition thereof) in an aggregate principal amount of \$30,000,000 or more, in the case of Parent, the Company or any of its Subsidiaries becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of such Indebtedness or any trustee or agent on its or their behalf to cause such Indebtedness to become due, or to require the redemption thereof or any offer to redeem to be made in

respect thereof, prior to its scheduled maturity or require any Note Party or to make an offer in respect thereof, after taking any written waivers of the requisite lenders of such Indebtedness with respect to thereto into account.

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(g) (i) any settlement or judgment (or order by a Governmental Authority) for the payment of money (as reduced by any insurance proceeds covering such settlements or judgments which are received or as to which the insurance carriers do not dispute coverage) in excess of \$30,000,000 or more, in the case of the Note Parties in the aggregate shall be rendered against any Note Party or paid, unless in the case of any such judgments or orders, within a thirty (30)-day period thereof unless a stay of enforcement of such judgment or order shall be put in and remain in effect and no action is legally taken by a judgment creditor or judgment creditors to attach or levy upon any assets of any Note Party to enforce any such judgment; and (ii) any non-monetary judgment or order shall be rendered against any Note Party that could reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, and there shall be a period of thirty (30) consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect;

(h) any Credit Party pursuant to or within the meaning of the Bankruptcy Code: (A) commences a voluntary case, (B) consents to the entry of an order for relief against it in an involuntary case, (C) consents to the appointment of a custodian of it or for all or substantially all of its property, or (D) makes a general assignment for the benefit of its creditors;

(i) a court of competent jurisdiction enters an order or decree under any provision of the Bankruptcy Code that: (A) is for relief against any Credit Party in an involuntary case; (B) appoints a custodian of any Credit Party for all or substantially all of the property of any Credit Party; or (C) orders the liquidation of any Credit Party; and the order or decree remains unstayed and in effect for sixty (60) consecutive days;

(j) any Note Document is held in any judicial proceeding to be unenforceable or invalid or ceases for any reason to be in full force and effect (other than in accordance with the terms of any Note Document), or any Credit Party, or any Person acting on behalf of any Credit Party, denies or disaffirms its obligations under any Note Document;

(k) the Note Documents cease to create a valid and perfected Lien of the priority required thereby on any material portion of the collateral purported to be covered thereby, except to the extent permitted by the terms of the Note Documents, or any Credit Party shall so state in writing;

(l) a Change of Control occurs;

(m) (i) a material breach by any party to or material default under any Material Project Document has occurred after taking any applicable grace periods into account or (ii) a Material Project Document shall terminate or cease for any reason to be in full force and effect; and

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(n) an ERISA Event shall have occurred that, when taken together with all other ERISA Events that have occurred and are continuing, has resulted in, or could reasonably be expected to result in, a Material Adverse Effect.

In the case of an Event of Default other than one described in Section 6(h) or Section 6(i), at any time thereafter during the continuance of such Event of Default, the Lender may, by notice to the any Company, (i) declare the Loan and this Note to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loan so declared to be due and payable (together with accrued interest thereon), including an amount sufficient to achieve the Base Return, and all fees and other obligations of the Company accrued hereunder and under the other Note Documents, shall become due and payable immediately, without presentment, demand, protest, notice of intent to accelerate, notice of acceleration or other notice of any kind, all of which are hereby waived by the Company; and in case of an Event of Default described in Section 6(h) or Section 6(i), the principal of the Loan then outstanding (together with accrued interest thereon), including an amount sufficient to achieve the Base Return then applicable and all fees and the other obligations of the Company accrued hereunder and under the other Note Documents, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Company.

In the event the Secured Obligations are reinstated for any reason, it is understood and agreed that the Secured Obligations shall be subject to the Base Return Principle and the Company are required to pay amounts necessary to achieve the Base Return in accordance with the Note Documents. For avoidance of doubt, the obligations of the Company to pay amounts to achieve the Base Return shall also be payable in the event the Secured Obligations (and/or this Note) are satisfied or released by foreclosure (whether by power of judicial proceeding), deed in lieu of foreclosure or by any other similar means.

THE COMPANY WAIVES (TO THE FULLEST EXTENT IT MAY LAWFULLY DO SO) THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE OR LAW THAT PROHIBITS OR MAY PROHIBIT THE COLLECTION OF ANY AMOUNT DUE TO ACHIEVE THE BASE RETURN.

The Company expressly agrees (to the fullest extent that it may lawfully do so) that: (i) the Base Return Principle is reasonable and is the product of an arm's length transaction between sophisticated business people, ably represented by counsel; (ii) as established by the Base Return Principle, the obligation of the Company to pay amounts necessary to achieve the Base Return in accordance with the Note Documents is incurred on the date hereof (subject to subsequent extensions of credit by the Lender) and part of the Secured Obligations on the date hereof (as increased by subsequent extensions of credit by the Lender) and in all events shall be part of the Secured Obligations; (iii) the amounts payable to achieve the Base Return shall be payable notwithstanding the then-prevailing market rates at the time payment is made; (iv) there has been a course of conduct between the Lender and the Company giving specific consideration in this transaction for such agreement to achieve the Base Return; and (v) the Company shall each be estopped hereafter from claiming differently than as agreed to in this paragraph.

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The Company expressly acknowledges that its agreement to pay amounts to the Lender necessary to achieve the Base Return to the Lender as herein described is a material inducement to the Lender to provide the extensions of credit under this Note.

In the case of the occurrence of an Event of Default, the Lender will have all other rights and remedies available at law and equity.

Section 7. Indemnity; Expenses. The Company shall indemnify Lender, and Lender's affiliates, directors, officers, employees, agents, partners and advisors (each such person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the reasonable and documented fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (a) the execution or delivery of this Note, the Note Documents, the performance by the parties hereto of their respective obligations under this Note, the Note Documents or the consummation of the transactions or any other transactions contemplated by this Note, the Note Documents or (b) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee, (y) result from a claim brought by the Company or its Subsidiaries or Sponsor against such Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Note Document, if the Company or its Subsidiaries or Sponsor thereof has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of

competent jurisdiction or (z) result from a claim not involving an act or omission of the Company, Sponsor or any Affiliate therefore and that is brought by such Indemnitee against another Indemnitee. The obligations of the Company under this paragraph shall survive the Payment in Full of the Note.

The Company shall (regardless of whether the Closing Date occurs), pay (a) all reasonable and documented out-of-pocket expenses incurred by the Lender and its Affiliates, including the reasonable and documented fees, charges and disbursements of their counsel and other consultants, the reasonable travel, photocopy, mailing, courier, telephone and other similar expenses, and the cost of environmental audits and surveys and appraisals, in connection with the extensions of credit provided for herein, the preparation, negotiation, execution, delivery and administration (both before and after the execution hereof and including advice of counsel to the Lender as to the rights and duties of the Lender with respect thereto) of this Note and the other Note Documents and any amendments, modifications or waivers of or consents related to the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (b) all costs, expenses, assessments and other similar charges incurred by the Lender in connection with any filing, registration, recording or perfection of any security interest contemplated by this Note or any Note Documents or any other document referred to therein and (iii) all out-of-pocket expenses incurred by the Lender, including the fees, charges and disbursements of any counsel or other consultants for agents or Lender, in connection with the enforcement or protection of their rights in connection with this Note or any other Note Document, including their rights under this Section 7, or in connection with the Loan made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or similar negotiations in respect of such Loan (it is understood that, if any Credit Party fails to perform any covenant or agreement contained herein or in any other Note Document, the Lender may itself, but shall have no obligation to do so, perform or cause performance of such covenant or agreement, and the expenses of the Lender incurred in connection therewith shall be reimbursed on demand by the Company).

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Section 8. Miscellaneous.

(a) The Company, for itself and its successors and assigns, hereby waives presentment, notice of dishonor, protest and notice of protest, and any or all other notices or demands (other than demand for payment) in connection with the delivery, acceptance, performance, default, endorsement or guarantee of this Note. The liability of any Company hereunder shall be unconditional and shall not be in any manner affected by any indulgence whatsoever granted or consented to by the holder hereof, including, but not limited to any extension of time, renewal, waiver or other modification. Any failure of the holder to exercise any right hereunder shall not be construed as a waiver of the right to exercise the same or any other right at any time and from time to time thereafter. Any waiver of any provision of this Note or any other Note Document or consent to any departure by any Note Party therefrom shall be effective only in the specific instance and for the purpose for which given. Lender or any holder may accept late payments, or partial payments, even though marked "payment in full" or containing words of similar import or other conditions, without waiving any of its rights.

(b) This Note and the other Note Documents may only be changed, modified or terminated or have any of its provisions waived by an agreement in writing signed by the parties hereto or thereto. In addition, notwithstanding the foregoing, the Lender, with the written consent of the Company (not to be unreasonably withheld, conditioned or delayed), may amend, modify or supplement any Note Document in order to (a) grant, perfect, protect, expand or enhance any security interest in any Collateral or additional Property to become Collateral, (b) add, supplement or modify any collateral agency provisions to the extent needed in connection with the appointment of a collateral agent after the Closing Date and (c) correct, amend or cure any ambiguity, inconsistency or defect or correct any typographical error or other manifest error in any Note Document.

(c) All notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile or electronic communication at the address set forth herein or at such other addresses as any party shall have specified to the other parties in writing. All notices and other communications given to any party hereto in accordance with the provisions of this Note or the other Note Documents shall be deemed to have been given on the date of receipt.

(d) This Note shall be governed by and construed in accordance with the laws of the State of New York applicable to instruments made and to be performed wholly within that state. If any provision of this Note is held to be illegal or unenforceable for any reason whatsoever, such illegality or unenforceability shall not affect the validity of any other provision hereof. This Note shall bind the Company and its successors and assigns. This Note may not be assigned or transferred by any Company without the prior written consent of the Lender. The Lender reserves the right to assign or sell participations in the Note to any entity (including to any Federal Reserve Bank in accordance with applicable law) and to provide any assignee or participant or prospective assignee or participant with information of the Company previously received by Lender, subject to confidentiality requirements. The Company's consent to such assignment or participation is hereby deemed granted. Lender and each of its assigns shall be an express third party beneficiary under this Note with direct rights to enforce, or exercise rights, make claims or seek remedies under, this Note.

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The Company shall maintain at one of its offices at 3811 Turtle Creek Blvd., Suite 2100, Dallas, TX 75219 a copy of each assignment of the Note delivered to it and a register for the recordation of the names and addresses of the Lender, and the commitments of, and principal amounts (and stated interest) of the Loan owing to, the Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Company and the Lender shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Note. The Register shall be available for inspection by the Company and the Lender, at any reasonable time and from time to time upon reasonable prior notice.

If Lender sells a participation, Lender, acting solely for this purpose as a non-fiduciary agent of the Company, shall maintain a register on which it enters "name and address of each participant and the principal amounts (and stated interest) of each participant's interest in the Loan or other obligations under the Note Documents (the "Participant Register"); provided that Lender shall not have any obligation to disclose all or any portion of the Participant Register (including the identity of any participant or any information relating to a participant's interest in any commitments, loans or its other obligations under any Note Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Note notwithstanding any notice to the contrary.

THE COMPANY AGREES THAT ANY ACTION, SUIT OR PROCEEDING IN RESPECT OF OR ARISING OUT OF THIS NOTE MAY BE INITIATED AND PROSECUTED IN THE STATE OR FEDERAL COURTS, AS THE CASE MAY BE, LOCATED IN NEW YORK COUNTY, NEW YORK AND ANY ARBITRATION PROCEEDING PURSUANT HERETO SHALL BE CONDUCTED IN NEW YORK, NEW YORK. THE COMPANY CONSENTS TO AND SUBMITS

TO THE EXERCISE OF JURISDICTION OVER ITS PERSON BY ANY SUCH COURT HAVING JURISDICTION OVER THE SUBJECT MATTER, WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON IT AND CONSENTS THAT ALL SUCH SERVICE OF PROCESS BE MADE BY REGISTERED MAIL DIRECTED TO ANY COMPANY AT ITS ADDRESS SET FORTH BELOW OR TO ANY OTHER ADDRESS AS MAY APPEAR IN LENDER'S RECORDS AS THE ADDRESS OF ANY COMPANY.

IN ANY ACTION, SUIT OR PROCEEDING IN RESPECT OF OR ARISING OUT OF THIS NOTE, LENDER AND THE COMPANY WAIVE TRIAL BY JURY, AND COMPANY ALSO WAIVES (I) THE RIGHT TO INTERPOSE ANY SET-OFF OR COUNTERCLAIM OF ANY NATURE OR DESCRIPTION, (II) ANY OBJECTION BASED ON FORUM *NON CONVENIENS* OR VENUE, AND (III) ANY CLAIM FOR CONSEQUENTIAL, PUNITIVE OR SPECIAL DAMAGES.

(e) The Company hereby authorizes Lender and any other holder of an interest in this Note to disclose confidential information relating to the financial condition or operations of Company and the Parent (i) to any director, officer, employee or affiliate of Lender or any such holder, (ii) to legal counsel, accountants, and other professional

advisors to Lender or any such holder, (iii) to regulatory officials, (iv) as requested or required by law, regulation, or legal process or (v) in connection with any legal proceeding to which Lender or any such holder is a party.

Section 9. Non-Recourse. Lender acknowledges and agrees that Lender's sole right of recovery pursuant to this Note shall be limited to the Note Parties solely to the extent set forth in the Note Documents defined therein, and Lender shall not have any right, remedy, claim or any other recourse against any Non-Recourse Party.

[signature pages follow]

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IN WITNESS WHEREOF, the undersigned has caused this Note to be duly executed.

COMPANY:

By: /s/ David Rench
Name: David Rench
Title: Chief Administrative Officer

NOTICES:

If to any Company, to:

APLD ELN-02 Holdings LLC
3811 Turtle Creek Blvd., Suite 2100
Dallas, TX 75219
Attention: David Rench
Phone: [***]
Email [***]

with a copy (which shall not constitute notice) to:

Applied Digital Corporation
3811 Turtle Creek Blvd., Suite 2100
Dallas, TX 75219
Attention: General Counsel

and

Lowenstein Sandler LLP
1251 Avenue of the Americas
New York, New York 10020
Attention: Steven Siesser, Esq.
Phone: [***]
Email: [***]

If to Lender, to:

Macquarie Equipment Capital, Inc.
660 Fifth Avenue
New York, New York 10103
Attention: SAF Operations; Aaron Jenkins and Joshua Stevens
Phone: Aaron Jenkins: [***]; Joshua Stevens: [***]
Email: [***]; [***]

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ANNEX A: DEFINITIONS

1. Definitions

“Affiliate” means, with respect to a specified Person, (a) another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified, (b) another Person that directly or indirectly owns or holds ten percent (10.0%) or more of any class of Equity Interests with voting power in the specified Person or (c) any officer, director, manager or partner of the specified Person. It is understood that no Lender or any of its Affiliates shall be considered to be an Affiliate of the Company.

“AML Laws” means all laws, rules, and regulations of any jurisdiction concerning the prevention of money laundering, including the USA PATRIOT Act.

“Anti-Corruption Laws” means all laws, rules and regulations of any jurisdiction concerning or relating to bribery or corruption, including the U.S. Foreign Corrupt Practices Act of 1977, as amended.

“Applicable Margin” means a rate equal to 0.25% per annum.

“Base Return” means, as of any date of determination, in respect of the Loan, the return on capital of the Lender as calculated pursuant to clause (a) of the definition of “Multiple on Invested Capital” and will be achieved if the Multiple on Invested Capital in respect of the Loan as of such date equals or exceeds 1.35 to 1.00; provided that if a prepayment or Payment in Full on this Note occurs the Multiple on Invested Capital required to achieve the Base Return shall be reduced to (i) on or prior to the date that is four (4) months after the Closing Date, then with respect to the amount prepaid or the prepayment achieving Payment in Full in cash, 1.11:1.00 or (ii) after the date that is four (4) months after the Closing Date but prior to the date that is seven (7) months after the Closing Date, then with respect to the amount prepaid or the prepayment achieving Payment in Full in cash, 1.20:1.00.

“Base Return Principle” has the meaning set forth in the definition of “Secured Obligations”.

“Board” means the Board of Governors of the Federal Reserve System of the United States of America or any successor Governmental Authority.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed.

“Change of Control” means (a) the Sponsor and any Macquarie Entity shall fail to collectively (i) own and control, directly or indirectly, beneficially and of record, Equity Interests in the Parent representing 100% on a fully diluted basis of (A) the aggregate ordinary voting power and economics interests and (B) the aggregate equity value represented by the issued and outstanding Equity Interests of the Parent; or (ii) directly or indirectly have the power to appoint, remove or replace a majority of the board of directors (or similar governing body) of the Parent, or to possess, directly or indirectly, the power to direct or cause the direction of the management or policies of Parent or (b) the Parent and any Macquarie Entity shall fail to (i) own and control, directly, beneficially and of record, Equity Interests in the Company representing 100% on a fully diluted basis of (A) the aggregate ordinary voting power and economics interests and (B) the aggregate equity value represented by the issued and outstanding Equity Interests of the Company; provided that to the extent that the counterparty in respect of any transaction effectuating any of the above events is a Macquarie Entity, such transaction shall not be a Change of Control.

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“Closing Date” has the meaning assigned in Section 5.

“Collateral” has the collective meaning assigned thereto in the Guarantee and Security Agreement and the Pledge Agreement.

“Company” means APLD ELN-02 Holdings LLC, a Delaware limited liability company.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise, including the power to elect a majority of the directors, managers, trustees or equivalent of a Person, as the case may be.

“Controlling” and “Controlled” have meanings correlative thereto.

“Controlled Affiliates” means, with respect to Lender, any fund, investment vehicle or other Person (other than a natural person) that (i) is organized by Lender or an Affiliate of Lender for the purpose of making equity investments in one or more companies and (ii) is controlled by or is under common control with Lender or such Affiliate of Lender. For purposes of this definition, “control” means the power to direct or cause the direction of management and policies of a Person, whether by contract or otherwise.

“Credit Parties” means Parent, the Company, each Subsidiary of the Company and the Sponsor or any of the foregoing as the context requires.

“Common Stock” means the common stock, par value \$0.001 per share, of the Sponsor.

“Default” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“Disqualified Capital Stock” means any Equity Interest that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event, matures or is mandatorily redeemable for any consideration other than other Equity Interests (which would not constitute Disqualified Capital Stock), pursuant to a sinking fund obligation or otherwise, or is convertible or exchangeable for Indebtedness or redeemable for any consideration other than other Equity Interests (which would not constitute Disqualified Capital Stock) at the option of the holder thereof, in whole or in part, on or prior to the date that is one (1) year after the earlier of (a) the Maturity Date and (b) the date on which there is no portion of the Loan or other obligations hereunder outstanding.

“ELN-02 Project” means the hyperscale data center facility being developed and constructed by the Company and APLD ELN-02 LLC in Ellendale, North Dakota.

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“ELN-02 Project Construction Budget and Schedule” has the meaning assigned in Section 4(a).

“ELN-02 Senior Project Debt” means the initial non-recourse financing to be incurred by Company (or Parent) to fund the construction and operation of the ELN-02 Project and has been approved in writing by the Lender after the Closing Date.

“Equity Interests” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, including both preferred and common equity, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such Equity Interest.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, the regulations promulgated thereunder, and any successor statute.

“ERISA Affiliate” means each trade or business (whether or not incorporated) which together with the Company, a Subsidiary of the Company or any Credit Party would be deemed to be a “single employer” within the meaning of Section 4001(b)(1) of ERISA or subsections (b), (c), (m) or (o) of Section 414 of the Code.

“ERISA Event” means (a) any “reportable event”, as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30 day notice period is waived); (b) the existence with respect to any Plan of an “accumulated funding deficiency” (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by any Credit Party or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by any Credit Party or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by any Credit Party or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by any Credit Party or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from any Credit Party or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

“Events of Default” has the meaning assigned in Section 6.

“Excepted Liens” means:

(a) Liens for taxes, assessments or other governmental charges or levies which are (i) not delinquent or (ii) being contested in good faith by appropriate action and for which adequate reserves have been maintained in accordance with GAAP;

(b) Liens in connection with workers’ compensation, unemployment insurance or other social security, old age pension or public liability obligations which are

(c) in the case of the Company, statutory landlord's liens, operators', vendors', carriers', warehousemen's, repairmen's, mechanics', suppliers', workers', materialmen's, construction or other like Liens arising by operation of law in the ordinary course of business or incident to the construction, operation, repair, restoration or improvement of any Project each of which is in respect of obligations that are not delinquent or which are being contested in good faith by appropriate action and for which adequate reserves have been maintained in accordance with GAAP or in respect of which bonds otherwise in an amount sufficient to repay the underlying obligation of such Liens shall have been obtained and remain in full force and effect;

(d) Liens arising solely by virtue of any statutory or common law provision or customary deposit account terms (pursuant to a depository institution's standard documentation that is provided to its customers generally) relating to banker's liens, rights of set-off or similar rights and remedies and burdening only deposit accounts or other funds maintained with a creditor depository institution; provided that no such deposit account is a dedicated cash collateral account or is subject to restrictions against access by the depositor in excess of those set forth by regulations promulgated by the Board and no such deposit account is intended by any Credit Party to provide collateral to the depository institution; and

(e) in the case of the Company, encumbrances consisting of zoning restrictions, easements or other restrictions on the use of real property, none of which materially impairs the use or operation of such property in the ordinary course of business of the Company and its Subsidiaries or the value thereof or the validity, perfection or priority of the Liens granted under the Security Documents;

provided, further, that (x) Liens described in clauses (a) through (d) shall remain "Excepted Liens" only for so long as no action to enforce such Lien has been commenced and no intention to subordinate the Lien granted in favor of the Lender is to be hereby implied or expressed by the permitted existence of such Excepted Liens and (y) in no event shall "Excepted Liens" secure Indebtedness of the type specified in clauses (a) and (b) of the definition of "Indebtedness".

"Excluded Taxes" means any of the following Taxes imposed on or with respect to Lender or required to be withheld or deducted from a payment to Lender, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case imposed as a result of Lender having a present or former connection to the jurisdiction imposing such Tax (other than connections arising from Lender having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Notes Document, or sold or assigned an interest in this Note or any Note Documents); (b) U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in the Loan pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or (ii) such Lender changes its lending office, (c) Taxes attributable to Lender's failure to comply with Section 2(c)(iii) and (d) any U.S. federal withholding Taxes imposed under FATCA.

"Extraordinary Delay Event" means delay in the construction of the ELN-02 Project caused by (a) acts of God; (b) flood, fire, earthquake or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) government order or law; (e) actions, embargoes or blockades in effect on or after the date of this Note; (f) action by any governmental authority; (g) national or regional emergency; (h) strikes, labor stoppages or slowdowns or other industrial disturbances; (i) epidemic, pandemic or similar influenza or bacterial infection (which is defined by the United States Center for Disease Control as virulent human influenza or infection that may cause global outbreak, or pandemic, or serious illness); (j) emergency state; (k) shortage of power or transportation facilities; and (l) other similar events beyond the reasonable control of the Company.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Note (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"GAAP" means generally accepted accounting principles in the United States of America as in effect from time to time.

"Governmental Authority" means the government of the United States of America or any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Governmental Requirement" means any international, foreign, federal, state and local law, treaties, statute, code, ordinance, order, determination, rule, rule of common law, regulation, judgment, decree, injunction, franchise, permit, certificate, license, authorization or other directive or requirement, whether formerly, now or hereinafter in effect, including environmental laws and occupational, safety and health standards or controls, of any Governmental Authority, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof.

"Guarantee and Collateral Agreement" means the Guarantee and Collateral Agreement executed by the Company, Parent and each Subsidiary of the Company, dated as of the date hereof, in form and substance satisfactory to the Lender.

"Indebtedness" means, for any person, the sum of the following (without duplication): (a) all obligations of such person for borrowed money or evidenced by bonds, bankers' acceptances, debentures, notes or other similar instruments; (b) all obligations of such person (whether contingent or otherwise) in respect of letters of credit, bank guarantees, surety or other bonds and similar instruments; (c) all accounts payable and other accrued expenses, liabilities or other obligations of such person to pay the deferred purchase price of Property or services (other than trade accounts payable in the ordinary course of business that are not past due for more than ninety (90) days after the date of invoice); (d) in respect of any capital lease of any person, the capitalized amount thereof that would appear on a balance sheet of such person prepared as of such date in accordance with GAAP; (e) all Indebtedness (as defined in the other clauses of this definition) of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) a Lien on any Property of such person, whether or not such Indebtedness is assumed by such Person, provided that, if such person has not assumed or become liable for the payment of such obligation, the amount of such Indebtedness shall be limited to the greater of (i) the principal amount of the obligations being secured and (ii) the fair market value of the encumbered Property; (f) all Indebtedness (as defined in the other clauses of this definition) of others guaranteed by such person or in which such person otherwise assures a creditor against loss of the Indebtedness (howsoever such assurance shall be made) to the extent of the lesser of the amount of such Indebtedness and the maximum stated amount of such guarantee or assurance against loss; (g) all obligations or undertakings of such person to maintain or cause to be maintained the financial position or covenants of others or to purchase the Indebtedness or Property of others; (h) obligations to deliver commodities, goods or services in consideration of one or more advance payments; (i) obligations to pay for goods or services, even if such goods or services are not actually received or utilized by such person, i.e., take-or-pay and similar obligations; (j) any Indebtedness of a partnership for which such person is liable either by agreement, by operation of law or by a Governmental Requirement but only to the extent of such liability; (k) Disqualified Capital Stock (for purposes hereof, the amount of any Disqualified Capital Stock shall be its liquidation value and, without duplication, the amount of all obligations of such Person with respect to the redemption, repayment or other repurchase in respect of Disqualified Capital Stock); and (l) net obligations under hedging agreements. The Indebtedness of any person shall include all obligations of such person of the character described above to the extent such person remains legally liable in respect thereof notwithstanding that any such obligation is not included as a liability of such person under GAAP.

“Lien” means any interest in Property securing an obligation owed to, or a claim by, a Person other than the owner of the Property, whether such interest is based on the common law, statute or contract, and whether such obligation or claim is fixed or contingent, and including (a) the lien or security interest arising from a mortgage, deed of trust, encumbrance, adverse ownership interest, pledge, security agreement, conditional sale or trust receipt or a lease, consignment or bailment for security purposes and (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and any filed financing statement or other notice of any of the foregoing (whether or not a lien or other encumbrance is created or exists at the time of the filing).

“Macquarie Entity” means Lender or any of Lender’s Controlled Affiliates.

“Material Adverse Effect” means a material adverse change in, or material adverse effect on, (a) the business, operations, Property, liabilities (actual or contingent) or financial condition of the Note Parties, taken as a whole, or any Project, (b) the ability of any Credit Party to perform its obligations under any Note Document to which it is a party, (c) the validity or enforceability of any Note Document or (d) the rights and remedies of or benefits available to the Lender under any Note Document.

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“Material Project Document” means any lease agreement (or equivalent agreement) entered into in respect of the ELN-02 Project, any electric services agreement with a utility relating to power services at any Project, any other material agreement for utilities, and any material construction contract related to the ELN-02 Project, including any GMP contract and any purchase orders relating to power supply equipment.

“Monthly Date” means the last Business Day of each June or December.

“Mortgage” means, with respect to each project site owned by the Company, a first priority Mortgage (or Deed of Trust or Deed to Secure Debt), Assignment of Leases and Rents and Security Agreement executed and delivered by the Company to the Lender, as security for the Secured Obligations and encumbering each parcel of real property, the improvements thereon and all personal property owned by such Person and encumbered by a Mortgage.

“Multiple on Invested Capital” means, as of the date of any determination, the ratio of (a) the sum, without duplication, of (i) the aggregate amount of principal payments and amounts previously paid in cash, in each case in respect of the Note, in order to achieve the Base Return from the Closing Date through the date of determination by the Company in respect of the Loan, (ii) the aggregate amount of interest payments and commitment fees paid in cash, in each case in respect of the Note, from the Closing Date through the date of determination by the Company in respect of the Loan (other than any Post-Default Interest), and (iii) the aggregate amount of any upfront fees received by the Lender in cash in each respect of the Loan on the Closing Date or thereafter to (b) the aggregate principal amount of the Loan funded by the Lender from the Closing Date through such date of determination (without giving effect to any net funding in respect of any such Loan). For the avoidance of doubt, the calculation of Multiple on Invested Capital shall, in no event, take into account (x) any fees (other than the upfront fees as specified above) payable to the Lender, any syndication, co-investment, administration and similar fees or any other costs, fees, or third-party costs associated with any agent and/or the Lender’s evaluation, negotiation, or execution of the Note Documents or the monitoring or performance of any obligations under such Note Documents, regardless of whether such costs, fees or third-party costs are net funded from the proceeds of the Loan funded to the Company, (y) any profits, realized or unrealized, or other amounts received in connection with the Warrant and (z) any Post-Default Interest.

“Non-Recourse Party” means, with respect to the Note Parties, any of the Note Parties’ former, current and future equity holders, controlling persons, directors, officers, employees, agents, representatives, Affiliates (other than a Note Party), members, managers, general or limited partners, or assignees (or any former, current or future equity holder, controlling person, director, officer, employee, agent, representative, Affiliate (other than a Note Party), member, manager, general or limited partner, or assignee of any of the foregoing).

“Note” has the meaning assigned in the preamble hereto.

“Note Documents” means this Note, the Security Documents, the Parent Loan Guarantee, the Warrant, any agreement, instrument or certificate required to be delivered under this Note or the other Note Documents by or on behalf of the Sponsor or the Company and each other document designated as a Note Document thereunder.

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“Note Parties” means Parent, the Company and the Subsidiaries of the Company.

“Organizational Documents” means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws and any shareholders agreement; (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity and (d) any equivalent or comparable constitutive documents with respect to such entities in the jurisdiction of its formation or organization.

“Other Taxes” means any present or future stamp or documentary taxes and any other excise, property or value added taxes, or similar charges or levies which arise from any payment made under this Note.

“Parent” means APLD Holdings 2 LLC, a Delaware limited liability company.

“Parent Loan Guarantee” means the Limited Parent Guarantee made by the Parent in favor of the Lender, in form and substance satisfactory to the Lender.

“Pledge Agreement” means the Pledge Agreement made by the Parent in favor of the Lender, in form and substance satisfactory to the Lender.

“Participant Register” has the meaning set forth in Section 8(d).

“Payment in Full” means (a) the principal of the Loan (including amounts sufficient to achieve the Base Return) and premium (if any) on and interest on each Loan and all fees payable under the Note Documents and all other amounts then due and payable under the Note Documents shall have been paid in full in cash (other than contingent indemnification obligations for which notice of a potential claim has not been given) and (b) all other Secured Obligations (other than contingent indemnification obligations for which notice of a potential claim has not been given) shall have been paid in full in cash.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Post-Default Rate” has the meaning assigned in Section 2(e).

“Project Costs” means costs relating to the development and construction of the ELN-02 Project set forth in the ELN-02 Project Construction Budget and Schedule delivered on the Closing Date.

“Projects” means the data center facilities owned and being developed or operated, as applicable, by the Company.

“Property” means any interest in any kind of property, right or asset, whether real, personal or mixed, or tangible or intangible (including cash, securities, accounts, contract rights, intellectual property and Equity Interests or other ownership interests of any Person), whether now in existence or owned or hereafter acquired.

“Register” has the meaning set forth in Section 8(d).

“Restricted Payment” means (a) the payment of any dividend or making of any other payment or distribution (whether in cash, securities or other property) on account of the Company’s Equity Interests or to the direct or indirect holders of the Company’s Equity Interests in their capacity as such, (b) the purchase, redemption, acquisition, retirement for value, acquisition, cancellation or termination of the Company’s Equity Interests, (c) any payment or distribution (whether in cash, securities or other property) on account of any return of capital to the Company’s stockholders, partners or members (or the equivalent Person thereof), (d) any payment (in cash, property or obligations other than any Equity Interests in the Company) with respect to principal or interest on or any other payment or distribution on account of or any payment for, the purchase, redemption, retirement or other acquisition of, shareholder loans or (e) any management fee or equivalent and any bonus or premium or other amount payable by or on behalf of the Company and its Subsidiaries to any affiliate of the Company (other than the Company or its Subsidiaries).

“Sanctioned Country” means at any time, a country or territory which is itself the subject or target of any comprehensive country-wide or territory-wide Sanctions (as of the date hereof, Cuba, Iran, North Korea, Syria, the Crimea Region of Ukraine, the so-called Donetsk People’s Republic, Kherson, the so-called Luhansk People’s Republic and Zaporizhzhia regions of Ukraine).

“Sanctioned Person” means at any time, any Person (a) identified on any Sanctions-related list of designated persons, (b) operating, organized or resident in a Sanctioned Country, or (c) directly or indirectly owned fifty percent (50%) or more or controlled by one or more Persons described in the foregoing clause (a) or (b).

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including the Office of Foreign Assets Control of the U.S. Department of the Treasury and the U.S. Department of State or (b) the United Nations Security Council, the European Union, any European Union member state, or His Majesty’s Treasury of the United Kingdom.

“SEC Documents” shall mean (a) any registration statement on Form S-4 filed by the Sponsor with the U.S. Securities and Exchange Commission (the “SEC”), including any related prospectus or prospectuses, for the registration of the Common Stock, on file with the SEC at the time such registration statement became effective, including the financial statements, schedules, exhibits and all other documents filed as a part thereof or incorporated therein and all information deemed to be a part thereof as of the effective date of such registration statement under the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (the “Securities Act”), (b) any proxy statement or prospectus filed by the Sponsor with the SEC, including all documents incorporated or deemed incorporated therein by reference, whether or not included in a registration statement on Form S-4, in the form in which such proxy statement or prospectus has most recently been filed with the SEC pursuant to Rule 424(b) under the Securities Act, (c) all reports, schedules, registrations, forms, statements, information and other documents filed with or furnished to the SEC by the Sponsor pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, during the two years prior to the date hereof, (d) any registration statement of the Sponsor filed pursuant to the Note or the Note Documents, including any prospectus or prospectus supplement (including documents incorporated by reference therein) used by the Sponsor in connection with such registration statement, any amendments and supplements to such registration statement or prospectus (including post-effective amendments) and all exhibits thereto and (e) all information contained in such filings and all documents and disclosures that have been and heretofore shall be incorporated by reference therein.

“Secured Obligations” means (a) any and all amounts owing or to be owing (including interest accruing at any post-default rate and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to any Credit Party, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) by any Company or the Parent (whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising) to the Lender under any Note Document or paid on behalf of any Note Party by the Lender or any of their Affiliates and (b) all renewals, restatements, extensions and/or rearrangements of any of the above. Without limitation of the foregoing, the term “Secured Obligations” shall include the unpaid principal or premium (if any) of and interest on the Loan (including, without limitation, interest accruing at the then-applicable rate provided in this Note after the maturity of the Loan and interest accruing at the then-applicable rate provided in this Note after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to any Credit Party, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), reimbursement obligations and unpaid amounts, fees, expenses, indemnities, costs, and all other obligations and liabilities of every nature of any Company or any other Note Party, whether absolute or contingent, due or to become due, now existing or hereafter arising under this Note and the other Note Documents. It is understood that “Secured Obligations” shall include, without limitation, the obligation of the Note Parties to pay amounts under the Note Documents necessary for the Lender to achieve the Base Return and that such obligation exists as of the date of this Note and in all events prior to the time when the Loan is accelerated by operation of law or otherwise become due as a result of bankruptcy or insolvency related event, Event of Default or similar event (this sentence, the “Base Return Principle”).

“Secured Parties” means the Lender and each Indemnitee.

“Security Documents” means the Guarantee and Collateral Agreement, the Pledge Agreement, all account control agreements for the benefit of the Secured Parties with respect to the accounts of the Note Parties, the Mortgages, each other security agreement and guaranty, in form and substance reasonably satisfactory to the Lender, entered into or made by the Company, the Parent, each Note Party in favor of the Lender for the benefit of the Secured Parties securing the Secured Obligations and/or guaranteeing all or part of the Secured Obligations.

“Solvent” means, with respect to any Person(s) as of any date, that (a) the value of the assets of such Person(s) (both at fair value and present fair saleable value) is, on the date of determination, greater than the total amount of liabilities (including contingent and unliquidated liabilities) of such Person(s) as of such date, (b) as of such date, such Person(s) is able to pay all liabilities of such Person(s) as such liabilities mature, and (c) as of such date, such Person(s) does not have unreasonably small capital given the nature of its business. In computing the amount of contingent or unliquidated liabilities at any time, such liabilities shall be computed at the amount that, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“Sponsor” means Applied Digital Corporation, a Nevada corporation.

“Subsidiary” means, with respect to any Person (the “parent”) at any date, any other Person the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other Person (a) of which Equity Interests representing more than 50% of the equity or more than 50% of the ordinary voting power (irrespective of whether or not at the time Equity Interests of any other class or classes of such Person shall have or might have voting power by reason of the happening of any contingency) or, in the case of a partnership, any general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or

by the parent and one or more subsidiaries of the parent. Unless the context otherwise requires, Subsidiary means a Subsidiary of the Company.

“Taxes” means any and all present and future taxes, duties, levies, imposts, deductions, charges or withholdings of any nature with respect to any payment by the Company pursuant to this Note. For the avoidance of doubt “taxes” as defined in this paragraph do not include net income taxes imposed on the Lender by reason of this Note.

“Title Company” means a nationally-recognized title insurance company reasonably acceptable to the Lender.

“Title Insurance Policy” means a policy of title insurance (or marked up unconditional title insurance commitment having the effect of a policy of title insurance) for which all applicable premiums, search and examination charges, escrow charges and expenses required for the recording of the Mortgages and issuance of the such policy have been paid insuring the Lien of such Mortgage as a valid first mortgage on the mortgaged Project and fixtures described therein in an aggregate amount across all Mortgaged Properties, at all times, equal to 100% of the consolidated Indebtedness of the Company and its Subsidiaries, which policy (or such marked up unconditional title insurance commitment) shall (x) be issued by the Title Company, (y) have been supplemented by such endorsements as shall be reasonably requested by the Lender (including, but not limited to, endorsements on matters relating to usury, first loss, doing business, public road access, survey, contiguity, policy authentication, variable rate, environmental lien, subdivision, policy aggregation, mortgage recording tax, street address, separate tax lot, revolving credit, and so-called comprehensive coverage over covenants, conditions and restrictions (to the extent applicable and available at commercially reasonable rates), and (z) contain no exceptions to title other than Liens permitted hereunder.

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“Warrant Holder” means Macquarie Equipment Capital, Inc., a Delaware corporation.

“Warrant” means a warrant or warrants to purchase Common Stock of the Sponsor in each case represented by a Common Stock Purchase Warrant executed and delivered on the Closing Date.

2. Terms Generally; Rules of Construction.

The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”, and the word “or” is not exclusive. The word “will” shall be construed to have the same meaning and effect as the word “shall”. The use of the words “repay” and “prepay” and the words “repayment” and “prepayment” herein shall each have identical meanings hereunder. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth in the Note Documents), (b) except as otherwise provided herein, any reference herein to any law shall be construed as referring to such law as amended, modified, codified or reenacted, in whole or in part, and in effect from time to time, (c) any reference herein to any person shall be construed to include such person’s successors and assigns (subject to the restrictions contained in the Note Documents), (d) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Note in its entirety and not to any particular provision hereof, (e) with respect to the determination of any time period, the word “from” means “from and including” and the word “to” means “to and including”, (f) unless otherwise specified, any reference herein to Articles, Sections, Annexes, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Annexes, Exhibits and Schedules to, this Note, (g) any reference to amounts “deposited” into or “on deposit” in any account shall be construed to include any cash equivalents or other amounts credited to such account, (h) the term “documents” includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form, (i) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights, and (j) all references to currencies and to amounts payable, requested or funded hereunder and under the other Note Documents shall be to United States dollars. The use of the phrase “subject to” as used in connection with Excepted Liens or otherwise and the permitted existence of any Excepted Liens or any other Liens shall not be interpreted to expressly or impliedly subordinate any Liens granted in favor of the Lender and the other Secured Parties as there is no intention to subordinate the Liens granted in favor of the Lender and the other Secured Parties. No provision of this Note or any other Note Document shall be interpreted or construed against any person because such person or its legal representative drafted such provision.

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ANNEX B – OWNERSHIP CHART

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ANNEX C – ACCOUNT

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ANNEX D

CLOSING DATE CONDITIONS PRECEDENT

1. Officer’s Certificate
2. Resolutions; Certified Charters; Incumbency Certificates
3. Good Standings
4. Closing Certificate (re Reps and Warranties)
5. Closing Certificate (re Material Project Documents)
6. Lowenstein Opinion (re Note Documents)
7. Local Counsels Opinions (re Note Documents and Mortgages)
8. Solvency Certificate
9. Mortgage for each Project site.
10. Title searches for each Project site.
11. Satisfactory documentation for formation of Company, Parent and each Subsidiary, including limited liability company agreements; satisfactory resolutions or amendments to organizational documents
12. UCC-1 filings required by Security Documents; Lien searches
13. Borrowing Request
14. Certified copies of all Material Project Documents

15. Construction Budget and Schedule for ELN-02 Project and Base Case Model
16. All representations and warranties being true
17. No Default or Event of Default

ANNEX E

None.

LIMITED PARENT GUARANTEE

LIMITED PARENT GUARANTEE, dated as of November 27, 2024 (this "Agreement"), made by APLD Holdings 2 LLC, a Delaware limited liability company (the "Parent Guarantor"), in favor of Macquarie Equipment Capital, Inc., Lender(together with its successors and assigns, if any, the "Lender").

WITNESSETH:

WHEREAS, APLD ELN-02 Holdings LLC, a Delaware limited liability company (the "Company"), has executed and delivered to the Lender a promissory note, dated as of the date hereof (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Note");

WHEREAS, pursuant to the Note, the Company has agreed to incur certain obligations, including the promise to pay to the Lender the amounts set forth therein with respect to the Loan made available or to be made available by the Lender to the Company;

WHEREAS, as an inducement to the Lender making the Loan to the Company, the Parent Guarantor has executed and delivered this Agreement to the Lender;

WHEREAS, the Parent Guarantor, the Company and the other Credit Parties are engaged in related businesses, and the Parent Guarantor will derive substantial direct and indirect benefit from the extensions of credit described in the preceding WHEREAS clauses; and

WHEREAS, the Parent Guarantor has determined that the execution, delivery and performance of this Agreement directly benefit, and are in the best interest of, the Parent Guarantor;

NOW, THEREFORE, in consideration of the premises and the agreements herein and in order to induce the Lender, the Lender to make and maintain the extension of credit described in the preceding WHEREAS clauses, the Parent Guarantor hereby agrees with the Lender, as follows:

SECTION 1. Definitions.

(a) Reference is hereby made to the Note for a statement of the terms thereof. All capitalized terms used in this Agreement and the preamble and recitals hereto which are not otherwise defined herein shall have the meanings specified in the Note.

(b) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", and the word "or" is not exclusive. The word "will" shall be construed to have the same meaning and effect as the word "shall". The use of the words "repay" and "prepay" and the words "repayment" and "prepayment" herein shall each have identical meanings hereunder. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth in the Note Documents), (b) except as otherwise provided herein, any reference herein to any law shall be construed as referring to such law as amended, modified, codified or reenacted, in whole or in part, and in effect from time to time, (c) any reference herein to any person shall be construed to include such person's successors and assigns (subject to the restrictions contained in the Note Documents), (d) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Note in its entirety and not to any particular provision hereof, (e) with respect to the determination of any time period, the word "from" means "from and including" and the word "to" means "to and including", (f) unless otherwise specified, any reference herein to Articles, Sections, Annexes, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Annexes, Exhibits and Schedules to, this Note, (g) any reference to amounts "deposited" into or "on deposit" in any account shall be construed to include any cash equivalents or other amounts credited to such account, (h) the term "documents" includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form, (i) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights, and (j) all references to currencies and to amounts payable, requested or funded hereunder and under the other Note Documents shall be to United States dollars. The use of the phrase "subject to" as used in connection with Excepted Liens or otherwise and the permitted existence of any Excepted Liens or any other Liens shall not be interpreted to expressly or impliedly subordinate any Liens granted in favor of the Lender as there is no intention to subordinate the Liens granted in favor of the Lender. No provision of this Note or any other Note Document shall be interpreted or construed against any person because such person or its legal representative drafted such provision.

(c) As used in this Agreement, the following terms shall have the respective meanings indicated below, such meanings to be applicable equally to both the singular and plural forms of such terms:

"Lender" has the meaning specified therefor in the Preamble hereto.

"Note" has the meaning specified therefor in the Preamble hereto.

"Parent Guarantor" has the meaning specified therefor in the Preamble hereto.

"Parent Guarantor Obligations" means, with respect to the Parent Guarantor, all obligations and liabilities of the Parent Guarantor which may arise under or in connection with this Agreement (including, without limitation, Section 2) and any other Note Document to which it is a party, whether on account of guarantee obligations, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the Lender that are required to be paid by the Parent Guarantor pursuant to the terms of this Agreement).

"Payment in Full" means (a) the principal of the Loan (including amounts sufficient to achieve the Base Return) and premium (if any) on and interest on the Loan and all fees payable under the Note Documents and all other amounts then due and payable under the Note Documents shall have been paid in full in cash (other than contingent indemnification obligations for which notice of a potential claim has not been given) and (b) all other Secured Obligations (other than contingent indemnification obligations for which notice of a potential claim has not been given) shall have been paid in full in cash.

"Pledge Agreement" means that certain Pledge Agreement, dated as of the date hereof, made by the Parent Guarantor, as Pledgor of the Pledged Collateral, in favor of the Lender.

"Pledged Collateral" means all of the Parent Guarantor's right, title, and interest in and to one hundred percent (100%) of the equity interests of the Company.

“Primary Obligations” means, with respect to the Company or any other Note Party, the collective reference to any and all amounts owing or to be owing by such Person to the Lender or other Secured Party under any Note Document (including any Secured Obligations (as defined in the Note and including obligations in respect of the Base Return)) and all renewals, extensions and/or rearrangements of any of the foregoing, in each case, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising (including interest accruing after the maturity of the Loans and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to such Person, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding).

SECTION 2. Guarantee.

(a) Guarantee.

(i) The Parent Guarantor hereby unconditionally and irrevocably, guarantees to the Lender and its successors, indorsees, transferees and assigns, the prompt and complete payment and performance by the Credit Parties when due (whether at the stated maturity, by acceleration or otherwise) of the Primary Obligations now or hereafter existing, whether for principal, interest (including interest accruing at any post-default rate and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to any Credit Party, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), fees, commissions, expense reimbursements, indemnifications or otherwise (including obligations related to the Base Return) solely up to the value of the Pledged Collateral. This is a guarantee of payment and performance when due and not of collection, and the liability of the Parent Guarantor is primary and not secondary.

(ii) Anything herein or in any other Note Document to the contrary notwithstanding, the maximum liability of the Parent Guarantor hereunder and under the other Note Documents shall in no event exceed the amount which can be guaranteed by the Parent Guarantor under applicable federal and state laws relating to the insolvency of debtors.

(iii) The Parent Guarantor agrees that the Primary Obligations may at any time and from time to time exceed the amount of the liability of the Parent Guarantor hereunder without impairing the guarantee contained in this Section 2 or affecting the rights and remedies of the Lender;

(iv) The Parent Guarantor agrees that if the maturity of any of the Primary Obligations is accelerated by bankruptcy or otherwise, such maturity shall also be deemed accelerated for the purpose of this guarantee without demand or notice to the Parent Guarantor. The guarantee contained in this Section 2 shall remain in full force and effect until Payment in Full.

(v) No payment made by the Company, any other Credit Party with Primary Obligations, the Parent Guarantor, any other guarantor or any other Person or received or collected by the Lender from the Company, any other Credit Party with Primary Obligations, the Parent Guarantor, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of any Primary Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of the Parent Guarantor hereunder which shall, notwithstanding any such payment (other than any payment made by the Parent Guarantor in respect of any Primary Obligations or any payment received or collected from the Parent Guarantor in respect of any Primary Obligations), remain liable for the Primary Obligations up to the maximum liability of the Parent Guarantor described in Section 2(a)(i) hereunder until Payment in Full.

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(b) Limited Recourse. Notwithstanding any provision of this Agreement, the Note, any other Note Document, or any other agreement to the contrary, the Lender's sole recourse hereunder shall be limited to the Pledged Collateral in which the Parent Guarantor has granted the Lender a security interest under the Pledge Agreement to secure the Parent Guarantor's obligations under this Agreement. In no event or circumstance whatsoever shall the Parent Guarantor's liability exceed the proceeds of the Pledged Collateral. The Lender shall not take any action to enforce the obligations of the Parent Guarantor under this Agreement beyond those actions reasonably necessary to enforce the Lender's rights with respect to the Pledged Collateral pursuant to the terms and conditions of the Pledge Agreement.

(c) Payments. The Parent Guarantor hereby agrees and guarantees that payments hereunder will be paid to the Lender without set-off or counterclaim in dollars that constitute immediately available funds at the principal office of the Lender specified pursuant to the Note.

(d) Guarantee Absolute and Unconditional. The Parent Guarantor waives (to the extent permitted by applicable law) any and all notice of the creation, renewal, extension or accrual of any of the Primary Obligations and notice of or proof of reliance by the Lender upon the guarantee contained in this Section 2 or acceptance of the guarantee contained in this Section 2 the Primary Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the guarantee contained in this Section 2; and all dealings between the Credit Parties, on the one hand, and the Lender, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Section 2. The Parent Guarantor waives (to the extent permitted by applicable law) diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Company, any other Credit Party with Primary Obligations or the Parent Guarantor with respect to the Primary Obligations. The Parent Guarantor understands and agrees that the guarantee contained in this Section 2 shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity or enforceability of the Note or any other Note Document, any of the Primary Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Lender, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by the Company, any other Credit Party or any other Person against the Lender, or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Company, any other Credit Party with Primary Obligations or the Parent Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Credit Parties for the Primary Obligations, or of the Parent Guarantor under the guarantee contained in this Section 2, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against the Parent Guarantor, the Lender may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against the Company, any other Credit Party with Primary Obligations, the Parent Guarantor or any other Person or against any collateral security or guarantee for the Primary Obligations or any right of offset with respect thereto, and any failure by the Lender to make any such demand, to pursue such other rights or remedies or to collect any payments from the Company, any other Credit Party with Primary Obligations, the Parent Guarantor or any other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Company, any other Credit Party with Primary Obligations, the Parent Guarantor or any other Person or any such collateral security, guarantee or right of offset, shall not relieve any Guarantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Lender against any Guarantor. For the purposes hereof “demand” shall include the commencement and continuance of any legal proceedings.

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(e) No Subrogation, Contribution or Reimbursement. Notwithstanding any payment made by the Parent Guarantor hereunder or any set-off or application of funds of the Parent Guarantor by the Lender, the Parent Guarantor shall not be entitled to be subrogated to any of the rights of the Lender against the Company or any Credit Party or any collateral security or guarantee or right of offset held by the Lender for the payment of the Primary Obligations, nor shall the Parent Guarantor seek or be entitled to seek any indemnity, exoneration, participation, contribution or reimbursement from the Company or any Credit Party in respect of payments made by the Parent Guarantor hereunder, and the Parent Guarantor hereby expressly waives (to the extent permitted by applicable law), releases, and agrees not to exercise all such rights of subrogation, reimbursement, indemnity and contribution, in each case, until Payment in Full. The Parent Guarantor further agrees that to the extent that such waiver and release set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any rights of subrogation, reimbursement, indemnity and contribution the Parent Guarantor may have against the Company, any Credit Party or against any collateral or security or guarantee or right of offset held by the Lender shall be junior and

subordinate to any rights the Lender may have against the Company and the Parent Guarantor and to all right, title and interest the Lender may have in any collateral or security or guarantee or right of offset. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time when all of the Primary Obligations shall not have been paid in full, such amount shall be held by such Guarantor in trust for the Lender, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be turned over to the Lender in the exact form received by such Guarantor (duly indorsed by such Guarantor to the Lender, if required), to be applied against the Primary Obligations, whether matured or unmatured, in such order as the Lender may determine. The Lender may, to the extent it has the right to do so in accordance with the terms and conditions of the Note and the other Note Documents, use, sell or dispose of any item of Pledged Collateral or security as it sees fit without regard to any subrogation rights any Guarantor may have, and upon any disposition or sale, any rights of subrogation any Guarantor may have shall terminate.

SECTION 3. [Reserved].

SECTION 4. Representations and Warranties. (a) The Parent Guarantor represents and warrants to the Lender and the Warrant Holder as of the date of hereof and any other date such representations and warranties are required to be made follows:

(i) The Parent Guarantor (i) is a legal entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (ii) has all requisite power and authority, and has all governmental licenses, authorizations, consents and approvals necessary, to own its assets and to carry on its business as now conducted, and (iii) is qualified to do business in, and is in good standing in, every jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification, except in the case of this clause (iii) where the failure to be so qualified or in good standing could not reasonably be expected to have a Material Adverse Effect.

(ii) The transactions contemplated hereby and by the other Note Documents to which the Parent Guarantor is a party are within the Parent Guarantor's limited liability company powers, as applicable, and have been duly authorized by all necessary limited liability company action. Each Note Document to which the Parent Guarantor is a party has been duly executed and delivered by the Parent Guarantor and constitutes a legal, valid and binding obligation of the Parent Guarantor, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

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(iii) Neither the execution and delivery of this Agreement or the other Note Documents by the Parent Guarantor, as applicable, nor the consummation of the transactions herein or therein contemplated or compliance with the terms and provisions hereof or thereof by any of them, (i) will violate (A) in any material respect, any applicable law or regulation or (B) any Organizational Document of the Parent Guarantor or any order of any Governmental Authority, (ii) will not violate or constitute a default under or result in any material breach of any indenture, agreement or other instrument binding upon the Parent Guarantor or any of its Properties (including the Material Project Documents), or give rise to a right thereunder to require any payment to be made by the Parent Guarantor and (iii) will not result in the creation or imposition of any Lien on any Pledged Collateral or any other Property of the Parent Guarantor (other than the Liens created by the Note Documents).

(iv) The Parent Guarantor is in compliance with all Governmental Requirements applicable to it or its Property and all agreements and other instruments binding upon it or its Property, and possesses all licenses, permits, franchises, exemptions, approvals and other governmental authorizations necessary for the ownership of its Property and the conduct of its business, in each case other than where the failure to do so could reasonably be expected to result in a Material Adverse Effect.

(v) The Parent Guarantor is not in material default nor has any event or circumstance occurred which would constitute a default or would require the Parent Guarantor to redeem or make any offer to redeem under any indenture, note, Note or instrument pursuant to which any Indebtedness is outstanding or by which the Parent Guarantor or any of its Properties is bound.

(vi) The Parent Guarantor is not an "investment company" or a company "controlled" by an "investment company," within the meaning of, or subject to regulation under, the Investment Company Act of 1940, as amended.

(vii) The Parent Guarantor has implemented and maintains in effect policies and procedures designed to promote and achieve compliance by the Parent Guarantor, its Subsidiaries, and their respective directors, officers, employees, and agents in their capacity as such with applicable Anti-Corruption Laws, AML Laws and Sanctions. None of the Parent Guarantor, its Subsidiaries, or any of their respective directors, officers or, to the knowledge of the Parent Guarantor, employees or agents of the Parent Guarantor or its Subsidiaries is a Sanctioned Person. None of the Parent Guarantor or any of its Subsidiaries (i) is in material violation of applicable AML Laws or Anti-Corruption Laws, (ii) is in violation of applicable Sanctions, or (iii) has, during the past ten (10) years, engaged in any dealings or transactions with, or for the benefit of, any Sanctioned Person or with or in any Sanctioned Country.

(viii) There are no material actions, suits, investigations or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Parent Guarantor, threatened by, against or affecting the Parent Guarantor or its Properties or revenues (i) which, either individually or in the aggregate, could reasonably be expected to result in liability exceeding (i) \$15,000,000 in the case of the Note Parties or (ii) \$30,000,000 in the case of the Parent Guarantor, or (b) that involve any Note Document, Material Project Document or the transactions contemplated thereby.

(b) The Parent Guarantor represents, warrants and covenants as to each matter set forth in Section 3 of the Note as if such representations and warranties were fully set forth herein.

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SECTION 5. Further Covenants.

(a) Transfers and Other Liens.

(i) The Parent Guarantor will not sell, assign, convey or otherwise transfer or dispose of any Pledged Collateral without the prior written consent of the Lender.

(ii) The Parent Guarantor will not create, suffer to exist or grant any Lien upon or with respect to any Pledged Collateral, other than:

(A) Liens securing the Secured Obligations;

(B) judgment and attachment Liens with respect (1) to judgments for the payment of money (as reduced by any insurance proceeds covering such settlements or judgments which are received or as to which the insurance carriers do not dispute coverage) that do not exceed one million Dollars (\$1,000,000) in the aggregate which shall be rendered against the Parent Guarantor and, in the case of any such judgments, within a thirty (30)-day period thereof a stay of enforcement of such judgment shall be put in and remain in effect and no action is legally taken by a judgment creditor or judgment creditors to attach or levy upon any assets of the Parent Guarantor to enforce any such judgment; or (2) any non monetary judgment or order shall be rendered against the Parent Guarantor that could reasonably be expected to individually or in the aggregate, have an adverse impact on a material amount of the Collateral, and there shall be a period of thirty (30) consecutive days during which a stay of or enforcement of such judgment or order, by reason of a pending appeal or otherwise,

shall not be in effect; provided that, in the case of any judgment or order referenced in clause (2) above, no Lien in connection with any such judgement or order shall be senior in priority to the Lender's security interest in the Collateral and the Company shall send Lender written notice of such judgment or order within five (5) Business days of the date of the entry thereof and the Company shall use commercially reasonable efforts to satisfy or vacate any such judgment or order; or

(C) Excepted Liens.

(iii) The Parent Guarantor will not, and will not permit any of its Subsidiaries or the Company to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (i) in the ordinary course of business at prices and on terms and conditions not less favorable to the Company, the Parent or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, and (ii) any Restricted Payment permitted by Section 4(n) of the Note.

(b) Proceeds in respect of Lease Agreements. To the extent the Parent Guarantor receives proceeds in the form of cash or cash equivalents in respect of any lease agreement (or equivalent agreement) entered into with any tenant at the ELN-02 Project, the Parent Guarantor shall cause such proceeds (i) to be paid to the Company and (ii) deposited into a deposit account of the Company with The Frost National Bank that is listed on Annex C to the Note.

(c) Cooperation with Note Document; Contracting for ELN 02 Project Company. The Parent Guarantor will cooperate with, and instruct the Company to undertake and comply with, the provisions of the Note Documents. With respect to contracts entered into on or after the date hereof (or amendments or modifications to existing contracts which would have a similar effect) in respect of ELN 02 Project, the Company shall be a counterparty to such contracts.

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SECTION 6. [Reserved].

SECTION 7. Indemnity, Expenses and Miscellaneous. (a) The Parent Guarantor agrees to pay or promptly reimburse the Lender for all reasonable and documented out-of-pocket advances, charges, costs and expenses, including, without limitation, any out-of-pocket advances, charges, costs and expenses that may be incurred in any effort to enforce any of the provisions of this Agreement.

(b) The Parent Guarantor shall indemnify the Lender and/or Lender's affiliates, directors, officers, employees, agents, partners and advisors (each such person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the reasonable and documented fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (a) the execution or delivery of this Agreement or the performance by the Parent Guarantor of its obligations under this Agreement, or (b) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (y) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee, or (z) result from a claim brought by the Parent Guarantor or the Company against such Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder, if the Parent Guarantor or the Company has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. The obligations of the Parent Guarantor under this paragraph shall survive the termination of this Agreement.

SECTION 8. Notices, Etc. All notices and other communications provided for hereunder shall be given in accordance with the notice provision of the Note.

SECTION 9. Section 5(b) Attorney-in-fact; Obligations.

(a) The Parent Guarantor hereby irrevocably appoints the Lender as its attorney-in-fact and proxy, with full authority in the place and stead of the Parent Guarantor and in the name of the Parent Guarantor or otherwise, from time to time in the Lender's discretion, to take any action and to execute any instrument that the Lender may deem necessary or advisable to take any action for the purpose of causing compliance with (or reasonably related to causing compliance with) the obligations of the Parent Guarantor under Section 5(b). This power and proxy is coupled with an interest and is irrevocable until Payment in Full, but the Lender agrees that (except as Lender deems necessary or advisable to accomplish the purposes of Section 5(b), which may be exercised at any time) it shall only exercise such power following the occurrence and during the continuation of a failure to comply with Section 5(b). The Lender shall be under no duty to exercise or withhold the exercise of any of the rights, powers, privileges and options expressly or implicitly granted to the Lender in this Agreement, and shall not be liable for any failure to do so or any delay in doing so. The Lender shall not be liable for any act or omission or for any error of judgment or any mistake of fact or law in its individual capacity or its capacity as attorney-in-fact except acts or omissions resulting from its gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final and non-appealable judgment.

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(b) All rights of the Lender and all obligations of the Parent Guarantor hereunder shall be absolute and unconditional irrespective of (i) any lack of validity or enforceability of Note or any other Note Document, (ii) any change in the time, manner or place of payment of, or in any other term in respect of, all or any of the Secured Obligations, or any other amendment or waiver of or consent to any departure from the Note or any other Note Document or (iii) any other circumstance that might otherwise constitute a defense (other than Payment in Full) available to, or a discharge of, the Parent Guarantor in respect of the Secured Obligations, until Payment in Full.

(c) The Parent Guarantor hereby waives (to the extent permitted by applicable law): (i) promptness and diligence, (ii) notice of acceptance and notice of the incurrence of any Secured Obligation by the Company or any other Note Party, (iii) notice of any actions taken by any Company or any other Person under any Note Document or any other agreement, document or instrument relating thereto, (iv) all other notices, demands and protests, and all other formalities of every kind in connection with the enforcement of the Secured Obligations, the omission of or delay in which, but for the provisions of subsection (b) above, might constitute grounds for relieving the Parent Guarantor of any of the Parent Guarantor obligations hereunder and (v) any requirement that the Lender or any Person protect, secure, perfect or insure any security interest or other lien on any property subject thereto or exhaust any right or take any action against the Parent Guarantor or any other Person or any collateral.

SECTION 10. Miscellaneous.

(a) No amendment or waiver of any provision of this Agreement (including any Schedule attached hereto) shall be effective unless it is in writing and signed by the Parent Guarantor and the Lender.

(b) No failure on the part of the Lender to exercise, and no delay in exercising, any right hereunder or under any other Note Document shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The rights and remedies of the Lender provided herein and in the other Note Documents are cumulative and are in addition to, and not exclusive of, any rights or remedies provided by law. The rights of the Lender under any Note Document against any party thereto are not conditional or contingent on any attempt by such Person to exercise any of its rights under any other Note Document against such party or against any other Person, including but not limited to, the Parent Guarantor.

(c) This Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against any Credit Party for liquidation or reorganization, should any Credit Party become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of any Credit Party's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment or performance of the

Secured Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Secured Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. The obligations of the Parent Guarantor under this Agreement (including with respect to the guarantee contained in Section 2 and the provision of collateral herein) shall continue to be effective, or be reinstated, as the case may be, if at any time, payment, or any part thereof, of any of the Secured Obligations is rescinded or must otherwise be restored or returned by the Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any Credit Party, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, any Credit Party or any substantial part of its property, or otherwise, all as though such payments had not been made.

(d) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

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(e) In addition to and without limitation of any of the foregoing, this Agreement shall be deemed to be a Note Document and shall otherwise be subject to all of terms and conditions contained in Section 8 of the Note, *mutatis mutandi*.

(f) The Parent Guarantor hereto irrevocably and unconditionally waives any right it may have to claim or recover in any legal action, suit or proceeding with respect to this Agreement any special, exemplary, punitive or consequential damages.

(g) Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof or thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

(h) Section headings herein are included for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

(i) This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. The words "execution," "execute," "signed," "signature," and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Lender, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary the Administrative Agent is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Lender pursuant to procedures approved by it.

(j) This Agreement is a Note Document executed pursuant to the Note.

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IN WITNESS WHEREOF, the Parent Guarantor has caused this Agreement to be executed and delivered by its officer (or any equivalent) thereunto duly authorized, as of the date first above written.

PARENT GUARANTOR:

APLD HOLDINGS 2 LLC

By: /s/ David Rench

Name: David Rench

Title: Secretary

[Signature Page to Parent Guarantee]

ACKNOWLEDGED AND AGREED BY LENDER:

MACQUARIE EQUIPMENT CAPITAL, INC.,

By: /s/ Greg Fitzgerald

Name: Greg Fitzgerald

Title: Authorized Signatory

By: /s/ Robert Downey

Name: Robert Downey

Title: Division Director

[Signature Page to Parent Guarantee]

GUARANTEE AND COLLATERAL AGREEMENT

GUARANTEE AND COLLATERAL AGREEMENT, dated as of November 27, 2024 (this "Agreement"), made by each of the Credit Parties party hereto (each, a "Grantor" and collectively, the "Grantors"), in favor of Macquarie Equipment Capital, Inc. for the benefit of the Secured Parties, (in such capacity, together with its successors and assigns in such capacity, if any, the "Lender").

WITNESSETH:

WHEREAS, APLD ELN-02 Holdings LLC, a Delaware limited liability company (the "Company"), has executed and delivered to Macquarie Equipment Capital, Inc. (together with any permitted assignee or transferee of the Note, the "Lender") a promissory note, dated as of the date hereof (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Note");

WHEREAS, pursuant to the Note, the Lender has agreed to make a Loan to the Company;

WHEREAS, it is a condition precedent to the Lender making the Loan to the Company pursuant to the Note that each Grantor shall have executed and delivered this Agreement to the Lender for the benefit of the Secured Parties;

WHEREAS, the Company and the other Grantors are engaged in related businesses, and each Grantor will derive substantial direct and indirect benefit from the making of the Loan under the Note; and

WHEREAS, each Grantor has determined that the execution, delivery and performance of this Agreement directly benefit, and are in the best interest of, such Grantor;

NOW, THEREFORE, in consideration of the premises and the agreements herein and in order to induce the Lender and the Lender to make and maintain the Loan to the Company pursuant to the Note, the Grantors hereby jointly and severally agree with the Lender, for the benefit of the Secured Parties, as follows:

SECTION 1. Definitions.

(a) Reference is hereby made to the Note for a statement of the terms thereof. All capitalized terms used in this Agreement and the preamble and recitals hereto which are not otherwise defined herein shall have the meanings specified in the Note or in Article 8 or 9 of the Uniform Commercial Code as in effect from time to time in the State of New York (the "Code"); provided that terms used herein which are defined in the Code as in effect in the State of New York on the date hereof shall continue to have the same meaning notwithstanding any replacement or amendment of such statute except as the Lender may otherwise determine.

(b) The following terms shall have the respective meanings provided for in the Code: "Accounts", "Account Debtor", "Cash Proceeds", "Certificate of Title", "Chattel Paper", "Commercial Tort Claim", "Commodity Account", "Commodity Contracts", "Deposit Account", "Documents", "Electronic Chattel Paper", "Equipment", "Fixtures", "General Intangibles", "Goods", "Instruments", "Inventory", "Investment Property", "Letter-of-Credit Rights", "Noncash Proceeds", "Payment Intangibles", "Proceeds", "Promissory Notes", "Record", "Security Account", "Software", "Supporting Obligations" and "Tangible Chattel Paper".

(c) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", and the word "or" is not exclusive. The word "will" shall be construed to have the same meaning and effect as the word "shall". The use of the words "repay" and "prepay" and the words "repayment" and "prepayment" herein shall each have identical meanings hereunder. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth in the Note Documents), (b) except as otherwise provided herein, any reference herein to any law shall be construed as referring to such law as amended, modified, codified or reenacted, in whole or in part, and in effect from time to time, (c) any reference herein to any person shall be construed to include such person's successors and assigns (subject to the restrictions contained in the Note Documents), (d) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Note in its entirety and not to any particular provision hereof, (e) with respect to the determination of any time period, the word "from" means "from and including" and the word "to" means "to and including", (f) unless otherwise specified, any reference herein to Articles, Sections, Annexes, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Annexes, Exhibits and Schedules to, this Note, (g) any reference to amounts "deposited" into or "on deposit" in any account shall be construed to include any cash equivalents or other amounts credited to such account, (h) the term "documents" includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form, (i) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights, and (j) all references to currencies and to amounts payable, requested or funded hereunder and under the other Note Documents shall be to United States dollars. The use of the phrase "subject to" as used in connection with Excepted Liens or otherwise and the permitted existence of any Excepted Liens or any other Liens shall not be interpreted to expressly or impliedly subordinate any Liens granted in favor of the Lender and the other Secured Parties as there is no intention to subordinate the Liens granted in favor of the Lender and the other Secured Parties. No provision of this Note or any other Note Document shall be interpreted or construed against any person because such person or its legal representative drafted such provision.

As used in this Agreement, the following terms shall have the respective meanings indicated below, such meanings to be applicable equally to both the singular and plural forms of such terms:

"Additional Collateral" has the meaning specified therefor in Section 4(a)(ii) hereof.

"Additional Grantor" has the meaning specified therefor in Section 15(f) hereof.

"Assigned Agreements" means all agreements, contracts and documents, including each Material Project Document to which any Grantor is a party (including all exhibits and schedules thereto), as each such agreement, contract and document may be amended, supplemented or modified and in effect from time to time, including (a) all rights of such Grantor to receive moneys due and to become due under or pursuant to the Assigned Agreements, (b) all rights of such Grantor to receive proceeds of any insurance, bond, indemnity, warranty, letter of credit or guaranty with respect to the Assigned Agreements, (c) all claims of such Grantor for damages arising out of or for breach of or default under the Assigned Agreements, (d) all rights of such Grantor to all other amounts from time to time paid or payable under or in connection with any of the foregoing contracts, and (e) all rights of such Grantor to terminate, amend, supplement, modify or waive performance under the Assigned Agreements, to perform thereunder and to compel performance and otherwise to exercise all remedies thereunder.

"Certificated Entities" has the meaning specified therefor in Section 5(p) hereof.

“Collateral” has the meaning specified therefor in Section 2 hereof.

“Company” has the meaning specified therefor in the recitals hereto.

“Copyrights” means any and all rights in any published and unpublished works of authorship arising under the laws of the United States or any other country or political subdivision thereof, including (a) copyrights, (b) all renewals, extensions, restorations and reversions thereof, (c) copyright registrations and recordings thereof and all applications in connection therewith, including those listed on Schedule II hereto, (d) all income, license fees, royalties, damages, and payments now and hereafter due or payable under and with respect thereto, including payments under all Licenses entered into in connection therewith and damages and payments for past, present, or future infringements thereof, (e) the right to sue for past, present, and future infringements thereof, and (f) all of each Grantor’s rights corresponding thereto throughout the world.

“Excluded Asset” has the meaning specified therefor in Section 2.

“Existing Entity” has the meaning specified therefor in the definition of the term “Pledged Shares”.

“Grantors” has the meaning specified therefor in the Preamble hereto.

“Group Member” means the Company and each Guarantor.

“Guarantee and Collateral Agreement Supplement” has the meaning specified therefor in Section 15(f) hereof.

“Guarantor Obligations” means, with respect to any Guarantor, all obligations and liabilities of such Guarantor which may arise under or in connection with this Agreement (including, without limitation, Section 13) and any other Note Document to which it is a party, whether on account of guarantee obligations, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the Lender that are required to be paid by such Guarantor pursuant to the terms of this Agreement).

“Guarantors” means the collective reference to each Grantor; provided that each Grantor shall be considered a Guarantor only with respect to the Primary Obligations of any other Credit Party (excluding the Parent).

“Intellectual Property” means any and all Patents, Copyrights, Trademarks, trade secrets, inventions (whether or not patentable), algorithms, methods, processes, software programs (including source code and object code), URLs and domain names, and all other proprietary rights and intellectual property rights arising under the laws of the United States or any other country or political subdivision thereof, whether owned or licensed, and all applications for registration or registrations thereof.

“Lender” has the meaning specified therefor in the recitals hereto.

“Licenses” means, with respect to any Person (the “Specified Party”), (a) any licenses or other similar rights provided in writing to the Specified Party in or with respect to Intellectual Property owned or controlled by any other Person, including any software license agreements, including the exclusive Licenses listed on Schedule XI hereto, and (b) any licenses or other similar rights provided in writing to any other Person in or with respect to Intellectual Property owned or controlled by the Specified Party, including any software license agreements in each case agreements other than license agreements for commercially available off-the-shelf software that is generally available to the public, which has been licensed to a Grantor pursuant to end-user licenses.

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“Note” has the meaning specified therefor in the recitals hereto.

“Parent” means APLD Holdings 2 LLC, a Delaware limited liability company.

“Patents” means any patents and patent applications arising under the laws of the United States or any other country or political subdivision thereof, including (a) the patents and patent applications listed on Schedule III hereto, (b) all continuations, divisionals, continuations-in-part, re-examinations, reissues, and renewals thereof and improvements thereon, (c) all income, license fees, royalties, damages and payments now and hereafter due or payable under and with respect thereto, including payments under all Licenses entered into in connection therewith and damages and payments for past, present, or future infringements thereof, (d) the right to sue for past, present, and future infringements thereof, and (e) all of each Grantor’s rights corresponding thereto throughout the world.

“Payment in Full” means (a) the principal of the Loan (including amounts sufficient to achieve the Base Return) and premium (if any) on and interest on each Loan and all fees payable under the Note Documents and all other amounts then due and payable under the Note Documents shall have been paid in full in cash (other than contingent indemnification obligations for which notice of a potential claim has not been given) and (b) all other Secured Obligations (other than contingent indemnification obligations for which notice of a potential claim has not been given) shall have been paid in full in cash.

“Perfection Exceptions” means that no Grantor shall be required to (a) enter into control agreements, (b) perfect the security interest, other than by the filing of a UCC financing statement, but without limiting the obligations under Section 6(a)(iii)(G) hereof, in Commercial Tort Claims or assets subject to a Certificate of Title, (c) enter into any source code escrow arrangement or file, prosecute, patent or register any Intellectual Property (but, for the avoidance of doubt, this clause (c) shall not include filing of any Intellectual Property security agreement or limit the provisions of Section 6(i)(ii)), (d) so long as no Event of Default shall have occurred and be continuing, send notices to account debtors or other contractual third-parties, or (e) perfect any security interest in purchase orders or any other documents or agreements with respect to generators (collectively, “Generator Documents”) to the extent that the Lender has a perfected security interest in such Generator Documents in respect of generators which have one hundred megawatts (100 MW).

“Perfection Requirements” has the meaning specified therefor in Section 5(m) hereof.

“Permitted Disposition” means those sales, assignments, conveyances or other transfers or dispositions by Note Parties (other than the Company) that are permitted by Section 4(k) of the Note.

“Permitted Liens” means each of the Liens described in clauses (i) through (v) of Section 4(j) of the Note.

“Pledge Amendment” has the meaning specified therefor in Section 4(a)(ii) hereof.

“Pledged Debt” means (a) the indebtedness described in Schedule IX hereto and (b) all indebtedness from time to time owned or acquired by a Grantor, the promissory notes and other Instruments evidencing any or all of such indebtedness, and all interest, cash, Instruments, Investment Property, financial assets, securities, Equity Interests, other equity interests, stock options and commodity contracts, notes, debentures, bonds, promissory notes or other evidences of indebtedness and all other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such indebtedness.

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“Pledged Entity” has the meaning specified therefor in the definition of the term “Pledged Shares”.

“Pledged Interests” means, collectively, (a) the Pledged Debt, (b) the Pledged Shares and (c) all security entitlements in any and all of the foregoing.

“Pledged Shares” means (a) the shares of Equity Interests described in Schedule X hereto, whether or not evidenced or represented by any stock certificate, certificated security or other Instrument, issued by the Persons described in such Schedule X (the “Existing Entities”), (b) the shares of Equity Interests at any time and from time to time acquired by a Grantor of any and all Persons now or hereafter existing (such Persons, together with the Existing Entities, being hereinafter referred to collectively as the “Pledged Entities” and each individually as a “Pledged Entity”), whether or not evidenced or represented by any stock certificate, certificated security or other Instrument, and (c)(i) the certificates or instruments, if any, representing such Equity Interests, all options and other rights, contractual or otherwise, in respect thereof, (ii) all after acquired Equity Interests in the Pledged Entities and all of the Grantor’s rights to acquire Equity Interests in the Pledged Entities in addition to or in exchange or substitution for the Pledged Interests and all other Equity Interests in the Pledged Entities owned by the Grantor, (iii) all right, title and interest of any Grantor (A) as a shareholder, member, general partner, limited partner or otherwise to participate in the operation or management of such Person and (B) to all dividends and distributions (cash, stock or otherwise and including during continuance of or on account of liquidation of any Person), cash, instruments, rights to subscribe, purchase or sell and all other rights and property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such Equity Interests, (iv) all replacements, additions to and substitutions for any of the property referred to in this definition, including claims against third parties, (v) the proceeds, interest, profits and other income of or on any of the property referred to in this definition and (vi) all books and records relating to any of the property referred to in this definition.

“Post-Default Rate” means the per annum rate of interest provided for in Section 3.02(b) of the Note.

“Primary Obligations” means, with respect to any Group Member, the collective reference to any and all amounts owing or to be owing by such Group Member to the Lender or any other Secured Party under any Note Document (including any Secured Obligations (as defined in the Note)) and all renewals, extensions and/or rearrangements of any of the foregoing, in each case, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising (including interest accruing after the maturity of the Loan and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to such Group Member, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding).

“Secured Obligations” means, with respect to any Grantor, the collective reference to its Primary Obligations and Guarantor Obligations.

“Trademarks” means any and all trademarks, trade names, registered trademarks, trademark applications, service marks, registered service marks, brand names, certification marks, collective marks, logos, symbols, trade dress, corporate names, business names, assumed names, fictitious names, and other source or business identifiers, and all registrations and recordings thereof in the United States Patent and Trademark Office or any similar office in any State of the United States of America or any other country or political subdivision thereof, all registration and recording applications filed in connection therewith, and all common law rights relating thereto, including (a) the registered trademarks, trademark applications, registered service marks and service mark applications listed on Schedule IV hereto, (b) all extensions, modifications and renewals thereof, (c) all income, license fees, royalties, damages and payments now and hereafter due or payable under and with respect thereto, including payments under all Licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (d) the right to sue for past, present and future infringements and dilutions thereof, (e) the goodwill of each Grantor’s business symbolized by the foregoing or connected therewith, and (f) all of each Grantor’s rights corresponding thereto throughout the world.

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SECTION 2. Grant of Security Interest. Each Grantor hereby pledges, transfers and collaterally assigns to the Lender (and its agents and designees), and grants to the Lender (and its agents and designees), for the benefit of the Secured Parties, a continuing security interest in all of its right, title and interest to and in the following, wherever located and whether now or hereafter existing and whether now owned or hereafter acquired (all being collectively referred to herein as the “Collateral”, excluding, in each case, the Excluded Assets), as collateral security for the prompt and complete payment, observance and performance when due (whether at the stated maturity, by acceleration or otherwise) of all of such Grantor’s Secured Obligations:

- (a) all Accounts;
- (b) all Assigned Agreements;
- (c) all Chattel Paper (whether Tangible Chattel Paper or Electronic Chattel Paper);
- (d) all Commercial Tort Claims, including, without limitation, those specified on Schedule VIII;
- (e) all Documents;
- (f) all General Intangibles (including, without limitation, all Payment Intangibles, Licenses, and Intellectual Property);
- (g) all Goods, including, without limitation, all Equipment, Fixtures and Inventory;
- (h) all Instruments (including, without limitation, Promissory Notes);
- (i) all Intellectual Property and Licenses;
- (j) all Investment Property;
- (k) all Letter-of-Credit Rights;
- (l) all Pledged Interests;
- (m) all Supporting Obligations;

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(n) all other tangible and intangible personal property and Fixtures of such Grantor (whether or not subject to the Code), including, without limitation, all proceeds, products, offspring, accessions, rents, profits, income, benefits, substitutions and replacements of and to any of the property of such Grantor described in the preceding clauses of this Section 2 hereof (including, without limitation, any proceeds of insurance thereon and all causes of action, claims and warranties now or hereafter held by such Grantor in respect of any of the items listed above), and all books, correspondence, files and other Records, including, without limitation, all tapes, disks, cards, software, data and computer programs in the possession or under the control of such Grantor or any other Person from time to time acting for such Grantor that at any time evidence or contain information relating to any of the property described in the preceding clauses of this Section 2 hereof or are otherwise necessary or helpful in the collection or realization thereof;

(o) to the extent not otherwise included, any other property insofar as it consists of personal property of any kind or character defined in and subject to the Code; and

(p) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing and all collateral security, income, royalties and other payments now or hereafter due and payable with respect to, and guarantees and Supporting Obligations relating to, any and all of the Collateral and, to the extent not otherwise included, all payments of insurance (whether or not the Lender is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Collateral, all other claims, including all cash, guarantees and other Supporting Obligations given with respect to any of the foregoing;

in each case howsoever such Grantor's interest therein may arise or appear (whether by ownership, security interest, claim or otherwise).

Notwithstanding anything herein to the contrary, in no event shall the Collateral include, and no Grantor shall be deemed to have granted a security interest in (a) any "intent to use" Trademark applications for which a statement of use has not been filed (but only until such statement is filed), solely to the extent, if any, that, and solely during the period, if any, in which the grant of a security interest therein would impair the validity or enforceability of, or void, any such application or registration that issues from such intent-to-use application under United States law, (b) any of such Grantor's rights or interests in or under any Property to the extent that, and only for so long as, such grant of a security interest is prohibited by, or constitutes a breach or default under or results in the termination of or requires any consent of a Person who is not an Affiliate not obtained under, any contract, to the extent such Property is directly evidenced by or arises under such contract; provided that any of the foregoing exclusions shall not apply if (i) such prohibition has been waived or such other party has otherwise consented to the creation hereunder of a security interest in such Property or a consent of such other Person is required under the terms of the Note or other Note Documents or (ii) such prohibition, consent or the term in such contract, or providing for such prohibition breach, default or termination or requiring such consent, is ineffective or would be rendered ineffective under any Governmental Requirement, including pursuant to Section 9-406, 9-407 or 9-408 of Article 9 of the Code; provided, further, that it is understood for avoidance of doubt that immediately upon any of the foregoing becoming or being rendered ineffective or any such prohibition, requirement for consent or term lapsing or termination or such consent being obtained, the applicable Grantor shall be deemed to have granted a Lien in all its rights, title and interests in and to such Property, (c) the Deposit Accounts, (d) all motor vehicles, airplanes, vessels and any other assets covered by or subject to a Certificate of Title, other than to the extent a security interest therein can be perfected by the filing of a UCC financing statement or (e) those other assets of a Grantor with respect to which the Lender shall have determined that the burdens, costs or consequences of obtaining a Lien on such assets are excessive in view of the benefits to be obtained by the Secured Parties (collectively, "Excluded Assets"); provided, however, "Excluded Assets" shall not include (i) any master services agreement (a/k/a master hosting agreements) or any lease agreement (or equivalent agreement) with respect to any Project or a document or agreement ancillary to any of the foregoing or any Material Project Document entered into on or after the date hereof or (ii) any right to receive proceeds from the sale or other disposition of Excluded Assets or any Proceeds, products, substitutes or replacements of any Excluded Assets (unless such Proceeds, products, substitutes or replacements independently constitute Excluded Assets).

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SECTION 3. Security for Secured Obligations. The security interest created hereby in the Collateral constitutes continuing collateral security for all of the Grantors' Secured Obligations.

SECTION 4. Delivery of the Pledged Interests

(a) (i) All promissory notes currently evidencing the Pledged Debt and all certificates currently representing the Pledged Shares in each case in existence as of the date hereof shall be delivered to the Lender on or prior to the date of the funding of the Initial Loan under the Note. All other promissory notes, certificates and Instruments constituting Pledged Interests from time to time required to be pledged to the Lender pursuant to the terms of this Agreement or the Note (the "Additional Collateral") shall be delivered to the Lender promptly upon, but in any event within seven (7) Business Days (or such longer period as the Lender may consent to in their sole discretion) of, receipt thereof by or on behalf of any of the Grantors. All such promissory notes, certificates and Instruments shall be held by or on behalf of the Lender pursuant hereto and shall be delivered in suitable form for transfer by delivery or shall be accompanied by duly executed instruments of transfer or assignment or undated stock powers executed in blank, all in form and substance reasonably satisfactory to the Lender. If any Pledged Interests that are part of the Collateral consist of uncertificated securities, without limiting Section 7 hereof, unless the immediately following sentence is applicable thereto, such Grantor shall, at the Lender's request following the occurrence and during the continuation of an Event of Default, cause the Lender (or its designated custodian or nominee) to become the registered holder thereof, or cause each issuer of such securities to agree that it will comply with instructions originated by the Lender with respect to such securities without further consent by such Grantor. If any Pledged Interests that are part of the Collateral consist of security entitlements, such Grantor shall cause the applicable securities intermediary to agree that it will comply with entitlement orders by the Lender without further consent by such Grantor (which may take the form of a "shifting" arrangement whereby the Lender agrees not to provide any such entitlement orders until the occurrence of an Event of Default). Each Grantor shall take all such further action as necessary or as may be reasonably requested by the Lender, to permit the Lender (or its nominee or designee) to be a "protected purchaser" to the extent of its security interest as provided in Section 8-303 of the Code (if the Lender otherwise qualifies as a protected purchaser).

(ii) Within seven (7) Business Days (or such longer period as the Lender may consent to in their sole discretion) of the receipt by a Grantor of any Additional Collateral, a Pledge Amendment, duly executed by such Grantor, in substantially the form of Exhibit A hereto (a "Pledge Amendment"), shall be delivered to the Lender, in respect of the Additional Collateral that must be pledged pursuant to this Agreement and the Note. The Pledge Amendment shall from and after delivery thereof constitute part of Schedule IX and Schedule X hereto. Each Grantor hereby authorizes the Lender to attach each Pledge Amendment to this Agreement and agrees that all promissory notes, certificates or Instruments listed on any Pledge Amendment delivered to the Lender shall for all purposes hereunder constitute Pledged Interests and such Grantor shall be deemed upon delivery thereof to have made the representations and warranties set forth in Section 5 hereof with respect to such Additional Collateral.

(b) If any Grantor shall receive, by virtue of such Grantor's being or having been an owner of any Pledged Interests, any (i) stock certificate (including, without limitation, any certificate representing a stock dividend or distribution in connection with any increase or reduction of capital, reclassification, merger, consolidation, sale of assets, combination of shares, stock split, spin-off or split-off), promissory note or other Instrument, (ii) option or right, whether as an addition to, substitution for, or in exchange for, any Pledged Interests, or otherwise, (iii) dividends payable in cash or in securities or other property (except in each case such dividends permitted to be retained by any such Grantor pursuant to Section 7 hereof or in the Note) or (iv) dividends, distributions, cash, Instruments, Investment Property and other property in connection with a partial or total liquidation or dissolution or in connection with a reduction of capital, capital surplus or paid-in surplus (except in each case to the extent any of the foregoing are permitted to be retained by any such Grantor pursuant to Section 7 hereof or the Note), such Grantor shall receive such stock certificate, promissory note, Instrument, option, right, payment or distribution in trust for the benefit of the Lender, shall segregate it from such Grantor's other property (to the extent practical) and where applicable, shall deliver it promptly to the Lender, in the exact form received, with any necessary indorsement and/or appropriate stock powers duly executed in blank, to be held by the Lender as Pledged Interests and as further collateral security for the Secured Obligations.

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(c) The granting of the foregoing security interest does not make the Lender or any Secured Party a successor to any Grantor as a partner or member in any Pledged Entity that is a partnership, limited partnership or limited liability company, as applicable, and neither the Lender, any Secured Party, nor any of their respective successors or assigns hereunder shall be deemed to have become a partner or member in any Pledged Entity, as applicable, by accepting this Agreement or exercising any right granted herein unless and until such time, if any, when any such Person expressly becomes a partner or member in any entity, as applicable, after a foreclosure thereon; provided that the foregoing shall not limit or restrict in any way the rights and remedies of the Lender and the Secured Parties otherwise set forth herein, including Section 7, and in the other Note Documents.

SECTION 5. Representations and Warranties. Each Grantor jointly and severally represents and warrants as of the date hereof and any other date such representations and warrants are required to be made as follows:

(a) Schedule I hereto sets forth (i) the exact legal name of each Grantor, (ii) the state or jurisdiction of organization of each Grantor, (iii) the type of organization of each Grantor and (iv) the organizational identification number of each Grantor or states that no such organizational identification number exists in each case of the date hereof.

(b) Except as disclosed in the Note, there is no pending or, to the best knowledge of any Grantor, threatened in writing action, suit or proceeding against any Grantor or any of its properties before any court or other Governmental Authority or any arbitrator that (i) which, either individually or in the aggregate, could reasonably be expected to result in liability exceeding (A) \$15,000,000 in the case of the Grantors or (B) \$30,000,000 in the case of the Sponsor, or (ii) that involve any Note Document, Material Project Document or the transactions contemplated thereby.

(c) Each Grantor's chief place of business and chief executive office, the place where such Grantor keeps its Records concerning Accounts and all originals of all Chattel Paper are located at the addresses specified therefor in Schedule V hereto (as amended, supplemented or otherwise modified from time to time in accordance with the terms hereof). As of the Closing Date, other than set forth on Schedule IX hereto, none of the Accounts is evidenced by Promissory Notes or other Instruments evidencing Indebtedness. Set forth in Schedule VI hereto is a complete and accurate list, as of the date of this Agreement, of each Deposit Account, Securities Account and Commodities Account of each Grantor, together with the name of each institution at which each such Account is maintained, the account number for each such Account and a description of the purpose of each such Account. Set forth in Schedule IV hereto is a complete and correct list of each trade name used by each Grantor.

(d) As of the Closing Date, (i) Schedule II provides a complete and correct list of all registered Copyrights owned by any Grantor and all applications for registration of Copyrights owned by any Grantor; (ii) Schedule III provides a complete and correct list of all issued Patents owned by any Grantor and all applications for Patents owned by any Grantor; (iii) Schedule IV provides a complete and correct list of all registered Trademarks owned by any Grantor and all applications for registration of Trademarks owned by any Grantor; and (iv) Schedule XI provides a complete and correct list of all exclusive Licenses to registered and applied-for Copyrights, Patents and Trademarks owned by any third party under which any Grantor is the licensee.

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(e) (i) (A) Each Grantor owns, or holds licenses in, or otherwise possesses rights in, all Intellectual Property that is reasonably necessary to the operation of its business as currently conducted except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general equitable principles, and (B) each Grantor is the sole and exclusive beneficial and record owner of Intellectual Property (free and clear of any Liens (other than Permitted Liens)) owned by it and has the right to use such Intellectual Property as it is presently being used, sold, licensed or distributed by the business, in each case of the foregoing (A) and (B), except, for such failures to own, license or have the right to use which, individually or in aggregate, could not reasonably be expected to have a Material Adverse Effect; provided that the foregoing shall not be deemed a representation regarding non-infringement by such Grantor.

(ii) Except for those claims, individually or in the aggregate, which (A) could not reasonably be expected to result in liability exceeding \$2,500,000 or (B) could not reasonably be expected to result in a Material Adverse Effect, no claims are pending or, to the knowledge of any Grantor, threatened against any Grantor or, to the knowledge of any Grantor, any other Person, (1) alleging that the manufacture, sale, licensing or use of any Intellectual Property rights owned by any Grantor as now manufactured, sold, licensed or used by any Grantor or any third party infringes on any Intellectual Property rights of any third party, (2) against the use by any Grantor or any third party of any technology, know-how or computer software used in any Grantor's business as currently conducted or (3) challenging the ownership by any Grantor, or the validity or effectiveness, of any Intellectual Property rights owned by any Grantor, excluding, in each case, office actions issued in the ordinary course of prosecution of any pending applications for patents or applications for registrations of other Intellectual Property.

(f) No Grantor has infringed on any Intellectual Property rights of any third party in any way which could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(g) All registered Copyrights, registered Trademarks, and issued Patents that are owned by such Grantor are set forth on Schedule II, Schedule III and Schedule IV hereto and are subsisting and, to the knowledge of any Grantor, valid and enforceable.

(h) Each Grantor has taken reasonable steps to maintain the confidentiality of and otherwise protect and enforce its rights in all trade secrets owned by such Grantor that are necessary in the business of such Grantor.

(i) Schedule X sets forth a complete and accurate list of all Pledged Shares owned by such Grantor as of the date hereof or the date of any Pledge Amendment or Guarantee and Collateral Agreement Supplement, as the case may be. The shares (or such other interests) of Pledged Shares pledged by such Grantor hereunder constitute all the issued and outstanding shares (or such other interests) of all classes of the capital stock or other Equity Interests of each entity owned by such Grantor. The Pledged Shares have been duly authorized and validly issued and are fully paid and nonassessable and the holders thereof are not entitled to any preemptive, first refusal or other similar rights. Except as noted in Schedule X hereto, the Pledged Shares constitute 100% of the issued shares of Equity Interests of the Pledged Entities as of the date hereof or the date of any Pledge Amendment or Guarantee and Collateral Agreement Supplement, as the case may be. All other shares of Equity Interests constituting Pledged Interests will be duly authorized and validly issued, fully paid and nonassessable. None of the Pledged Shares are subject to any voting trust, shareholder agreement or voting agreement or other agreement, right, instrument or understanding with respect to any purchase, sale, issuance, transfer, repurchase, redemption or voting agreement, other than limited liability company agreements, partnership agreements or other governing documents of the relevant Pledged Entity.

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(j) Schedule IX sets forth a complete and accurate list of all Pledged Debt owned by such Grantor as of the date hereof. The promissory notes currently evidencing the Pledged Debt (if any) have been, and all other promissory notes from time to time evidencing Pledged Debt (if any), when executed and delivered, will have been, duly authorized, executed and delivered by the respective makers thereof, and all such promissory notes are or will be, as the case may be, legal, valid and binding obligations of such makers, enforceable against such makers in accordance with their respective terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general equitable principles.

(k) The Grantors have good and marketable title to, valid leasehold interests in, or valid licenses or rights to use, the Collateral, except for minor defects in title that do not materially interfere with its ability to conduct its business or utilize such assets for their intended purposes. The Collateral is free and clear of any Lien except for the Permitted Liens.

(l) No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or any other Person (other than those that have been obtained and are in full force and effect) is required for (i) the due execution, delivery and performance by any Grantor of this Agreement, (ii) the grant by any Grantor of the security interest purported to be created hereby in the Collateral or (iii) the exercise by the Lender of any of its rights and remedies hereunder, except, in the case of this clause (iii), as may be required in connection with any sale of any Pledged Interests by laws affecting the offering and sale of securities generally, or as required under the Code (other than, with respect to Collateral consisting of Intellectual Property, filings with the United States Patent Office, the United States Copyright Office, or any similar office in any other country or political subdivision thereof, as applicable), and no exercise of voting rights by the Lender as contemplated by this Agreement or transfer of Pledged Shares in the manner contemplated by this Agreement or other exercise of remedies under the Note Documents is subject to any contractual restriction, or any restriction under the Organizational Documents of any Grantor, including requiring any consents or other actions thereunder. Following the timely completion of the completion of the Perfection Requirements, no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or any other Person, is required for the perfection of the security interest purported to be created hereby in the Collateral (other than those that have been obtained and are in full force and effect or the Perfection

Exceptions). The following subclauses (A) through (E) are each a “Perfection Requirement” and collectively, the “Perfection Requirements”: (A) the filing under the Uniform Commercial Code as in effect in the applicable jurisdiction of the financing statements described in Schedule VII hereto, all of which financing statements shall have been duly filed on the Closing Date and when filed, will be in full force and effect and any necessary subsequent filings to renew such financing statement, (B) with respect to the perfection of the security interest created hereby in the United States Intellectual Property and exclusive Licenses to registered United States Copyrights under which any Grantor is the licensee, the recording of the appropriate Intellectual Property security agreement, substantially in the form of Exhibit B hereto in the United States Patent and Trademark Office or the United States Copyright Office, as applicable, (C) with respect to the perfection of the security interest created hereby in foreign Intellectual Property and exclusive Licenses to foreign Intellectual Property under which any Grantor is the licensee (to the extent required to perfect the Lender’s security interest therein in jurisdictions located outside the United States), registrations and filings in jurisdictions located outside of the United States and covering rights in such jurisdictions relating to such foreign Intellectual Property and exclusive Licenses to foreign Intellectual Property, as applicable, (D) [reserved], and (E) subject to the Perfection Exceptions, the Lender’s having possession of all Documents, Chattel Paper, Instruments, and Pledged Interests.

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(m) Each Security Document (including this Agreement) delivered pursuant hereto or pursuant to the Note creates a legal, valid and enforceable security interest in favor of the Lender, for the benefit of the Secured Parties, in the Collateral, as security for the Secured Obligations, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors’ rights generally and general equitable principles or for applicable private international law in any relevant jurisdiction. The compliance with the Perfection Requirements (subject to Perfection Exceptions) result in the perfection of such security interests. Such security interests are, or in the case of Collateral in which any Grantor obtains rights after the date hereof, will be, perfected (if and to the extent perfection may be achieved through the Perfection Requirements other than the Perfection Exceptions), first priority security interests, subject in priority only to the Permitted Liens, and the recording of such instruments of assignment described above. Such Perfection Requirements other than the Perfection Exceptions have been duly made or taken.

(n) As of the date hereof, no Grantor holds any Commercial Tort Claims or is aware of any such pending filed claims, except for such claims described in Schedule VIII or such claims the value of which does not exceed \$500,000 individually or \$1,250,000 in aggregate.

(o) With respect to each Grantor and its Subsidiaries that is a partnership or a limited liability company with respect to which the partnership interests or membership interests of such Person are evidenced by a certificate (collectively, the “Certificated Entities”), each such Person has irrevocably opted into (and has caused each of its Subsidiaries that is a partnership or a limited liability company, and a Pledged Entity to opt into) Article 8 of the Code. Such interests are securities for purposes of Article 8 of any relevant Uniform Commercial Code. With respect to each Grantor and its Subsidiaries that is a partnership or a limited liability company and is not a Certificated Entity, the partnership interests or membership interests of each such Person are not (i) dealt in or traded on securities exchanges or in securities markets, (ii) securities for purposes of Article 8 of any relevant Uniform Commercial Code, (iii) investment company securities within the meaning of Section 8-103 of any relevant Uniform Commercial Code or (iv) evidenced by a certificate. Except as set forth on Schedule X, as of the date hereof, none of the Pledged Shares pledged by the Grantors hereunder constitute a “security” under Section 8-103 of the Code or the corresponding code or statute of any other applicable jurisdiction. Except as set forth on Schedule X, no other Investment Property is certificated or is a security under Section 8-103 of the UCC as of the date hereof.

(p) None of the Account Debtors on such Grantor’s Accounts, Chattel Paper or Payment Intangibles is a Governmental Authority.

(q) In the case of each Grantor, the representations and warranties set forth in the Note as they relate to such Grantor or to the Note Documents to which such Grantor is a party are true and correct in all material respects (unless already qualified by materiality in which case such applicable representation and warranty is true and correct), except to the extent any such representations and warranties are expressly limited to an earlier date, in which case, such representations and warranties continue to be true and correct in all material respects (unless already qualified by materiality in which case such applicable representation and warranty is true and correct) as of such specified earlier date.

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SECTION 6. Covenants. Until Payment in Full:

(a) Further Assurances. Subject to the limitations and restrictions contained hereunder and in the Note and the Perfection Exceptions, each Grantor will, at its sole cost and expense, at any time and from time to time, promptly execute and deliver all further instruments and documents and take all further action that may be necessary or that the Lender may request in order (i) to perfect and protect, or maintain the perfection of, the security interest and Lien purported to be created hereby; (ii) to enable the Lender to exercise and enforce its rights and remedies hereunder in respect of the Collateral in accordance with the terms herein; or (iii) otherwise to effect the purposes of this Agreement, including, without limitation: (A) marking conspicuously all material Chattel Paper, Instruments and Licenses and, at the request of the Lender, all of its Records pertaining to the Collateral with a legend, in form and substance satisfactory to the Lender, indicating that such Chattel Paper, Instrument, License or Collateral is subject to the security interest created hereby, (B) if any Account valued in excess of \$500,000 individually or Accounts valued in excess of \$1,250,000 in the aggregate shall be evidenced by a Promissory Note or other Instrument or Chattel Paper, delivering and pledging to the Lender such Promissory Note, other Instrument or Chattel Paper (other than checks or Instruments for deposit in the ordinary course of business), duly endorsed and accompanied by executed instruments of transfer or assignment, all in form and substance satisfactory to the Lender, (C) executing and filing (to the extent, if any, that such Grantor’s signature is required thereon) or authenticating the filing of, such financing or continuation statements, or amendments thereto, (D) with respect to Intellectual Property hereafter developed or acquired by any Grantor (and exclusive Licenses to registered United States Copyrights and, to the extent required to perfect the security interest therein, exclusive Licenses to foreign Intellectual Property, under which any Grantor becomes the licensee) and not covered by an appropriate security interest grant, the executing and recording in the United States Patent and Trademark Office, the United States Copyright Office, or any similar office in any other country or political subdivision thereof, as applicable, in accordance with Section 6(i)(iv), (E) delivering to the Lender irrevocable proxies in respect of the Pledged Interests to be used in accordance with the terms hereof, (F) furnishing to the Lender from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Lender may request, all in reasonable detail, (G) if at any time after the date hereof, any Grantor acquires or holds any Commercial Tort Claim with a maximum potential value in excess of \$500,000 individually or Commercial Tort Claims with a maximum potential value in excess of \$1,250,000 in the aggregate, promptly notifying the Lender of such claim in a writing signed by such Grantor setting forth a brief description of such Commercial Tort Claim (accompanied by an updated Schedule VIII hereto) and granting to the Lender a security interest therein (for the benefit of the Secured Parties) and in the proceeds thereof, which writing shall incorporate the provisions hereof and shall be in form and substance satisfactory to the Lender and (H) taking all actions required by law in any relevant Uniform Commercial Code jurisdiction, or by other law as applicable in any foreign jurisdiction. No Grantor shall take or fail to take any action which would in any manner materially or adversely impair the validity or enforceability of the Lender’s security interest in and Lien on any Collateral except as permitted in accordance with this Agreement or the Note.

(b) Location of Equipment and Inventory. Each Grantor will keep its Equipment and Inventory having a book value in excess of \$1,250,000 in the aggregate (other than Equipment and Inventory sold in the ordinary course of business in accordance with Section 6(h) hereof and held at third party service or repair centers) at any of the locations specified in Schedule V hereto or, upon not less than ten (10) Business Days’ prior written notice to the Lender accompanied by a new Schedule V hereto indicating each new location of the Equipment and Inventory, at such other locations in as the Grantors may elect.

(c) Condition of Equipment. Each Grantor will maintain or cause its Equipment which is necessary or useful in the proper conduct of its business to be maintained and preserved in satisfactory condition, repair and working order, ordinary wear and tear and casualty and condemnation excepted, and will forthwith, or in the case of any loss or damage to any satisfactory Equipment promptly after the occurrence thereof, to the extent determined in reasonable business judgement, make or cause to be made all repairs, replacements and other improvements in connection therewith which are necessary, consistent with past practice.

(d) Taxes, Etc. Each Grantor jointly and severally agrees to pay promptly when due all property and other taxes, assessments and governmental charges or

levies imposed upon, and all claims (including claims for labor, materials and supplies) against, the Equipment and Inventory, except to the extent otherwise provided in the Note.

(e) Insurance. Each Grantor will, at its own sole cost and expense, maintain insurance with respect to the Collateral in accordance with the terms of the Note.

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(f) Provisions Concerning the Accounts and the Licenses.

(i) Each Grantor will, except as otherwise provided in this subsection (f), continue to collect, at its own sole cost and expense, all amounts due or to become due under the Accounts. In connection with such collections, each Grantor may (and, at the Lender's direction, will) take such action as such Grantor (or, if applicable, the Lender) may deem necessary or advisable to enforce collection or performance of the Accounts; provided, however, that the Lender shall have the right at any time, upon the occurrence and during the continuance of an Event of Default, to notify the Account Debtors or obligors under any Accounts of the assignment of such Accounts to the Lender and to direct such Account Debtors or obligors to make payment of all amounts due or to become due to such Grantor thereunder directly to the Lender or its designated agent and, upon such written notification and at the sole cost and expense of such Grantor and to the extent permitted by law, to enforce collection of any such Accounts and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as such Grantor might have done. After receipt by any Grantor of a notice from the Lender that the Lender has notified, intends to notify, or has enforced or intends to enforce a Grantor's rights against the Account Debtors or obligors under any Accounts as referred to in the proviso to the immediately preceding sentence, (A) all amounts and proceeds (including Instruments) received by such Grantor in respect of the Accounts shall be received in trust for the benefit of the Lender hereunder, shall be segregated from other funds of such Grantor and shall be forthwith paid over to the Lender or its designated agent in the same form as so received (with any necessary endorsement) to be held as cash collateral and applied as specified in Section 9(d) hereof, and (B) such Grantor will not adjust, settle or compromise the amount or payment of any Account or release wholly or partly any Account Debtor or obligor thereof or allow any credit or discount thereon (in each case, unless pursuant to the express terms of such Account).

(ii) Except as deemed appropriate by Grantor in accordance with the exercise of its reasonable business judgment, no Grantor will, without the prior written consent of the Lender, cancel, terminate, amend or otherwise modify in any material respect, or waive any material provision of, any material License.

(g) Provisions Concerning the Pledged Interests. Each Grantor will:

(i) at such Grantor's sole cost and expense, defend the Lender's right, title and security interest in and to the Pledged Interests against the claims of any Person (other than holders of Permitted Liens);

(ii) not make or consent to any amendment or other modification or waiver with respect to any Pledged Interests or enter into any agreement or permit to exist any restriction with respect to any Pledged Interests (other than as permitted under the Note Documents); and

(iii) except as permitted by the Note, not permit the issuance of (A) any additional shares of any class of Equity Interests of any Pledged Entity, (B) any securities convertible voluntarily by the holder thereof or automatically upon the occurrence or non-occurrence of any event or condition into, or exchangeable for, any such shares of Equity Interests of any Pledged Entity or (C) any warrants, options, contracts or other commitments entitling any Person to purchase or otherwise acquire any such shares of Equity Interests of any Pledged Entity.

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(h) Transfers and Other Liens.

(i) Except to the extent permitted by the Note, no Grantor will sell, assign (by operation of law or otherwise), lease, license, exchange or otherwise transfer or dispose of any of the Collateral.

(ii) Except to the extent permitted by the Note, no Grantor will create, suffer to exist or grant any Lien upon or with respect to any Collateral.

(iii) Each Grantor will warrant and defend the title to the Collateral against the claims and demands of all other Persons whomsoever and will maintain and preserve the Liens created hereby (and the priority specified herein) until Payment in Full. If (i) an adverse claim be made against any part of the Collateral other than Permitted Liens or (ii) any Person, including the holder of a Permitted Lien (other than Excepted Liens identified in clauses (a) through (c) of the definition thereof under the Note (but subject to the provisos at the end of such definition)), shall challenge the priority or validity of the Liens created by this Agreement, then such Grantor agrees to use commercially reasonable efforts to promptly defend against such adverse claim, take appropriate action to remove such cloud or subordinate such Permitted Lien (other than Excepted Liens identified in clauses (a) through (c) of the definition thereof under the Note (but subject to the provisos at the end of such definition)), in each case, at such Grantor's sole cost and expense.

(i) Intellectual Property.

(i) In accordance with Section 6(i)(iv), each Grantor shall execute and deliver to the Lender one or more Intellectual Property security agreements substantially in the form of Exhibit B hereto or otherwise in a form acceptable to the Lender to further evidence the Lender's Lien on such Grantor's Patents, Trademarks, Copyrights, exclusive Licenses to registered United States Copyrights, or exclusive Licenses to registered foreign Patents, Trademarks or Copyrights, and the General Intangibles of such Grantor relating thereto or represented thereby.

(ii) Each Grantor shall have the duty, with respect to Intellectual Property that is necessary in and material to the conduct of such Grantor's business, to maintain, and as deemed appropriate by Grantor in accordance with the exercise of its reasonable business judgment, protect and diligently enforce and defend, at such Grantor's sole cost and expense its Intellectual Property, including by taking action (A) subject to such Grantor's reasonable business judgment, to diligently enforce and defend, including promptly suing for infringement, misappropriation, or dilution and to recover any and all damages for such infringement, misappropriation, or dilution, and filing for opposition, interference, and cancellation against conflicting Intellectual Property rights of any Person, (B) to prosecute diligently any trademark application or service mark application that is part of the Trademarks pending as of the date hereof or hereafter until the termination of this Agreement, (C) to prosecute diligently any patent application that is part of the Patents pending as of the date hereof or hereafter until the termination of this Agreement, (D) to take all reasonable and necessary action to preserve and maintain all of such Grantor's Trademarks, Patents, Copyrights, Licenses, and its rights therein, including paying all maintenance and other fees, filing of applications for renewal, filing of affidavits of use, filing of affidavits of noncontestability and opposition, filing of divisional, continuation, continuation-in-part, reissue, and renewal applications or extensions, and participation in interference and cancellation proceedings, and (E) to have a policy requiring all employees of each Grantor who were involved in the creation or development of such Intellectual Property in the scope of their employment to sign agreements containing an assignment of their Intellectual Property rights to a Grantor and obligations of confidentiality, to the extent such rights do not automatically vest in a Grantor by operation of law. Each Grantor further agrees not to abandon any Intellectual Property that is necessary in and material to the conduct of such Grantor's business (whether now owned or hereafter acquired) except in connection with any Permitted Disposition.

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(iii) Grantors acknowledge and agree that the Secured Parties shall have no duties with respect to any Intellectual Property or Licenses of any Grantor. Without limiting the generality of this Section 6(i)(iii), Grantors acknowledge and agree that no member of the Secured Parties shall be under any obligation to take any steps necessary to preserve rights in the Collateral consisting of Intellectual Property or Licenses against any other Person, but any Secured Party may do so at its option from and after the occurrence and during the continuance of an Event of Default, and all reasonable and documented out-of-pocket expenses incurred in connection therewith (including reasonable and documented fees and expenses of attorneys and other professionals) shall be for the sole account of the Company and shall be chargeable to the Loan Account.

(iv) From time to time as the Lender may request, each Grantor shall provide the Lender with a written report of all new Patents or Trademarks that are registered or the subject of pending applications for registrations, Copyright registrations, exclusive Licenses to registered United States Copyrights under which a Grantor is the licensee, and exclusive Licenses to foreign Patents, Trademarks and Copyrights under which a Grantor is the licensee (to the extent required in order to perfect the Lender's security interest therein), in each case, which are material to the conduct of such Grantor's business and which were acquired, exclusively licensed to, registered, or for which applications for registration were filed by any Grantor during the prior period, or for which any statement of use or amendment to allege use was filed by any Grantor during the prior period with respect to intent-to-use trademark applications. In the case of such registrations or applications therefor, which were acquired by or exclusively licensed to any Grantor, as applicable, each such Grantor shall file any documents and/or instruments as may be necessary, or that the Lender may request, in order to perfect and preserve the security interest purported to be created hereby with the appropriate Governmental Authority (including Intellectual Property security agreements substantially in the form of Exhibit B hereto) identifying the applicable Grantor as the owner (or as a co-owner or exclusive licensee thereof, if such is the case) of such Intellectual Property; provided, that, with respect to such non-United States Intellectual Property, the applicable Grantor may make such filings in connection with the next renewal or other required filing with respect thereto.

(v) Each Grantor shall, as deemed appropriate by such Grantor in accordance with the exercise of its reasonable business judgement, take reasonable steps to maintain the confidentiality of, and otherwise protect and enforce its rights in, the Intellectual Property that is necessary in the conduct of such Grantor's business, including, as applicable (A) protecting the secrecy and confidentiality of its confidential information and trade secrets by having and enforcing a policy requiring all current employees, consultants, licensees, vendors and contractors with access to such information to execute appropriate confidentiality agreements; (B) taking actions reasonably necessary to ensure that no trade secret falls into the public domain; and (C) protecting the secrecy and confidentiality of the source code of all software programs and applications of which it is the owner or licensee.

(j) [reserved].

(k) [reserved].

(l) Control. Each Grantor hereby agrees to take any or all action that may be necessary to the extent that the Lender may request in writing in order for the Lender to obtain control in accordance with Sections 9-104, 9-105, 9-106, and 9-107 of the Code with respect to the following Collateral: (i) [reserved], (ii) Electronic Chattel Paper (to the extent such Collateral is valued in excess of \$250,000 in aggregate), (iii) Investment Property (to the extent such Collateral is valued in excess of \$250,000 in aggregate) and (iv) Letter-of-Credit Rights (to the extent such Collateral is valued in excess of \$250,000 in aggregate); provided that such Grantor shall have reasonable time to comply with such requests. Each Grantor hereby acknowledges and agrees that any agent or designee of the Lender shall be deemed to be a "secured party" with respect to the Collateral under the control of such agent or designee for all purposes.

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(m) Changes in Information. Each Grantor shall provide prompt written notice of any change (i) in such Grantor's corporate, limited liability company or limited partnership name, (ii) in the location of such Grantor's chief executive office or principal place of business, (iii) in such Grantor's ownership, entity type or jurisdiction in which such Person is incorporated or formed, (iv) in such Grantor's jurisdiction of organization or such Person's organizational identification number in such jurisdiction of organization, and (v) in such Grantor's United States federal taxpayer identification number.

(n) Partnership and Limited Liability Company Interest. Except with respect to partnership interests and membership interests evidenced by a certificate, which certificate has been pledged and delivered to the Lender pursuant to Section 4 hereof, no Grantor that is a partnership or a limited liability company shall, nor shall any Grantor with any Subsidiary that is a partnership or a limited liability company, permit such partnership interests or membership interests to (i) be dealt in or traded on securities exchanges or in securities markets, (ii) become a security for purposes of Article 8 of any relevant Uniform Commercial Code, (iii) become an investment company security within the meaning of Section 8-103 of any relevant Uniform Commercial Code or (iv) be evidenced by a certificate. Each Grantor agrees that such partnership interests or membership interests shall constitute General Intangibles.

(o) Pledged Securities. The Pledged Shares will at all times constitute not less than 100% of the capital stock or other Equity Interests of the Pledged Entity thereof owned by any Grantor. Upon the issuance of any new shares (or other interests) of any class of capital stock or other Equity Interests of any Pledged Entity to a Grantor, such Equity Interests shall be pledged to the Lender pursuant to the terms hereof and the Grantor shall substantially concurrently with such issuance, deliver any such certificated Equity Interests that are required to be pledged hereunder in the exact form received, duly indorsed by such Grantor to the Lender, if required, together with an undated stock power or other equivalent instrument of transfer acceptable to the Lender covering such certificate or instrument duly executed in blank by such Grantor.

(p) Limitations on Modifications, Waivers, Extensions of Agreements Giving Rise to Accounts. Such Grantor will not (a) amend, modify, terminate or waive any provision of any Chattel Paper, Instrument or any agreement giving rise to an Account or Payment Intangible in any manner which could reasonably be expected to materially adversely affect the collective value of the Collateral as a whole, or (b) fail to exercise promptly and diligently its material rights, taken as a whole, which it may have under any Chattel Paper, Instrument and each agreement giving rise to an Account or Payment Intangible with a value in excess of \$1,250,000 in the aggregate (other than any right of termination), except, in each case, as part of a Permitted Disposition.

(q) Assigned Agreements.

(i) No Grantor will, directly or indirectly, enter into or incur any agreement on or after the date hereof that would constitute a Material Project Document if such agreement would prohibit, restrict or impose any restrictive condition upon the ability of any Grantor to pledge, transfer or collaterally assign to the Lender, for the benefit of the Secured Parties, a security interest in any Assigned Agreement entered into on or after the date hereof; provided that the foregoing shall not apply to restrictions or conditions requiring the applicable counterparty in respect of such Assigned Agreement to consent to such pledge, transfer or collateral assignment to the extent such consent (in form and substance reasonably satisfactory to the Lender) has been obtained by the applicable Grantor and delivered to the Lender.

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(ii) Upon the reasonable request of the Lender, the applicable Grantor will obtain a consent to assignment (in form and substance reasonably satisfactory to the Lender) executed by the applicable counterparty in respect of any Material Project Document that, by the terms thereof, requires a consent in respect of (or otherwise restricts) the pledge, transfer and/or collateral assignment of such Material Project Document to the Lender hereunder.

(r) Activities of Parent and the Company. Notwithstanding anything to the contrary contained herein or the other Note Documents, none of Parent or the Company shall (i) own, lease, manage, hold or otherwise operate any properties or assets (including cash and cash equivalents) other than (A) the Equity Interests of the applicable Note Parties owned by Parent or the Company, (B) cash from Restricted Payments that are permitted pursuant to under the Note Documents to be made by the Subsidiaries of the Company, as applicable, and assets intended to be promptly contributed to the other Note Parties, (C) minute books and other corporate books and records of

Parent or the Company, as applicable, and (D) other miscellaneous de minimis assets customary for passive holding companies (and, for avoidance of doubt, not any Equity Interests other than those of the applicable Note Parties); (ii) incur, create, assume or suffer to exist any Indebtedness or other liabilities or financial obligations, other than (A) liabilities under the Note Documents, (B) tax liabilities arising in the ordinary course of business and (C) corporate, administrative and operating expenses in the ordinary course of business; (iii) conduct, transact or engage in any activities, business or operations other than (A) issuing shares of its own Equity Interests (other than Disqualified Capital Stock), (B) holding the assets and incurring the liabilities described in this [Section 6\(q\)](#) and activities incidental and related thereto, (C) execution, delivery and performance of its obligations under and in connection with the Note Documents, (D) maintenance of its corporate existence, including the provision of customary protections or directors, managers and officers and (E) payment of Taxes, making dividends and other distributions, and receiving assets that are intended to be promptly contributed to the applicable Note Parties and (iv) create, incur, assume or permit to exist any Lien on any of its assets or properties (now owned or hereafter acquired) other than under the Note Documents.

(s) Covenants in the Note. Such Grantor shall perform and observe all covenants applicable to it in the Note and the other Note Documents, including with respect to those covenants that obligate the Company to cause the other Grantors to comply with such covenants, in each case, as if such other Grantors agreed to such covenant on behalf of itself (including, but not limited to the covenants set forth in Section 4 of the Note.)

SECTION 7. Voting Rights, Dividends, Etc. in Respect of the Pledged Interests

(a) So long as no Event of Default shall have occurred and be continuing:

(i) each Grantor may exercise any and all voting and other consensual rights pertaining to any Pledged Interests for any purpose not in contravention of the terms of this Agreement, the Note or the other Note Documents or which would materially impair the Collateral or the priority, creation or perfection of the Lender's Lien thereon; provided, however, (A) no Grantor will refrain from exercising any such right if such inaction could reasonably be expected to violate the terms of any Note Document or have a Material Adverse Effect and (B) no Grantor will irrevocably assign or otherwise delegate its voting rights under the Pledged Interests, rights to manage the business and affairs (or any portion thereof) of any Pledged Entities or other consensual rights pertaining to the Pledged Interests to any committee, body or other person without the prior written consent of the Lender; and

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(ii) each of the Grantors may receive and retain any and all dividends, interest or other distributions paid in respect of the Pledged Interests to the extent permitted by the Note; provided, however, that any and all (A) dividends and interest paid or payable other than in cash in respect of, and Instruments and other property received, receivable or otherwise distributed in respect of or in exchange for, any Pledged Interests which at the time of such payment was not permitted by the Note to be retained, (B) dividends and other distributions paid or payable in cash in respect of any Pledged Interests in connection with a partial or total liquidation or dissolution or in connection with a reduction of capital, capital surplus or paid-in surplus which at the time of such payment was not permitted by the Note to be retained, and (C) cash paid, payable or otherwise distributed in redemption of, or in exchange for, any Pledged Interests, together with any dividend, interest or other distribution or payment which at the time of such payment was not permitted by the Note, shall be, and shall forthwith be delivered to the Lender, to hold as, Pledged Interests and shall, if received by any of the Grantors, be received in trust for the benefit of the Lender, shall be segregated from the other property or funds of the Grantors, and shall be promptly delivered to the Lender in the exact form received with any necessary indorsement and/or appropriate instruments of transfer or assignment or undated stock powers duly executed in blank, to be held by the Lender as Pledged Interests and as further collateral security for the Secured Obligations; and

(iii) the Lender will execute and deliver (or cause to be executed and delivered) to a Grantor all such proxies and other instruments as such Grantor may reasonably request for the purpose of enabling such Grantor to exercise the voting and other rights which it is entitled to exercise pursuant to [Section 7\(a\)\(i\)](#) hereof and to receive the dividends, interest and/or other distributions which it is authorized to receive and retain pursuant to [Section 7\(a\)\(ii\)](#) hereof.

(b) Upon the occurrence and during the continuance of an Event of Default:

(i) rights of any Grantor to receive dividends, interest and principal which such Grantor is authorized to receive pursuant to [Section 7\(a\)](#) shall cease, and all such rights shall thereupon become vested in the Lender, and the Lender shall have the right to receive any and all cash dividends, payments or other Proceeds paid in respect of the Investment Property and make application thereof to the Secured Obligations in such order as set forth in the Note (and all dividends, payments or other Proceeds which are received by any Grantor contrary to the provisions of this [Section 7.1\(b\)](#) shall be held in trust for the benefit of the Lender, shall be segregated from other property or funds of such Grantor and shall be immediately delivered to the Lender in the same form as so received (with any necessary endorsement)), and (ii) the Lender or its nominee (in each case, acting at the direction of the Lender) may exercise (whether or not the Collateral or any of the Investment Property has been transferred into the name of the Lender or its nominee) (A) all voting, corporate, consenting and other organizational rights pertaining to such Investment Property at any meeting of shareholders (or other equivalent body) of the relevant Pledged Entity or Pledged Entities or in the absence of any such meeting or otherwise, including by written consent (and each Grantor hereby grants to the Lender a present, irrevocable proxy, coupled with an interest and hereby constitutes and appoints the Lender as such Grantor's proxy with full power, in the same manner, to the same extent and with the same effect as if such Grantor were to do the same, to exercise such rights until Payment in Full, as if it were the absolute owner thereof) and (B) any and all rights of conversion, exchange and subscription and any other rights, privileges or options pertaining to such Investment Property as if it were the absolute owner thereof (including, the right to exchange at its discretion any and all of the Investment Property upon the merger, consolidation, reorganization, recapitalization or other fundamental change in the corporate or other organizational structure of any Pledged Entity, or upon the exercise by any Grantor or the Lender of any right, privilege or option pertaining to such Investment Property, and in connection therewith, the right to deposit and deliver any and all of the Investment Property with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as the Lender may determine), all without liability except to account for property actually received by it, but the Lender shall have no duty to any Grantor to exercise any such right, privilege or option and shall not be responsible for any failure to do so or delay in so doing. As further assurance of the proxy granted hereby, each Grantor shall from time to time execute and deliver to the Lender, all such additional written proxies and other instruments as the Lender shall reasonably request for the purpose of enabling the Lender to exercise the voting and other rights which it is entitled to exercise hereunder provided that the Grantors agree that no such additional action shall be required for the Lender to exercise its proxy rights hereunder. Each Grantor hereby revokes any proxy or proxies heretofore given by such Grantor to any person or persons whatsoever and agrees not to give any other proxies in derogation hereof until this Agreement is no longer in full force and effect as hereinafter provided. Each Grantor agrees that it shall not amend any organizational documents (including, without limitation, any limited liability company agreement or certificate of formation or the functional equivalent of each of the foregoing) of any Pledged Entity or enter into any agreements or instruments to provide, and shall not otherwise permit, the rights described under clauses (A) and (B) of this [Section 7.1\(b\)](#) with respect to any Pledged Entity to be assigned or otherwise delegated to any Person, including any committee of any Affiliate;

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(ii) the Lender is authorized to notify each debtor with respect to the Pledged Debt to make payment directly to the Lender (or its designee) and may collect any and all moneys due or to become due to any Grantor in respect of the Pledged Debt, and each of the Grantors hereby authorizes each such debtor to make such payment directly to the Lender (or its designee) without any duty of inquiry;

(iii) if such Grantor shall become entitled to receive or shall receive any stock certificate or other instrument (including any certificate or instrument representing a dividend or a distribution in connection with any reclassification, increase or reduction of capital or any certificate or instrument issued in connection with any reorganization), option or rights in respect of the capital stock or other Equity Interests of any Pledged Entity, whether in addition to, in substitution of, as a conversion of, or in exchange for, any shares (or such other interests) of the Pledged Shares, or otherwise in respect thereof, such Grantor shall accept the same as the agent of the Lender, hold the same in trust for the Lender and deliver the same forthwith to the Lender in the exact form received, duly indorsed by such Grantor to the Lender, if required, together with an undated stock power or other equivalent instrument of transfer acceptable to the Lender covering such certificate or instrument duly executed in blank by such Grantor, to be

held by the Lender, subject to the terms hereof, as additional collateral security for the Secured Obligations;

(iv) all dividends, distributions, interest and other payments that are received by any of the Grantors contrary to the provisions of Section 7(b)(i) hereof shall be received in trust for the benefit of the Lender, shall be segregated from other funds of the Grantors, and shall be promptly paid over to the Lender as Pledged Interests in the exact form received with any necessary indorsement and/or appropriate instruments of transfer or assignment or undated stock powers duly executed in blank, to be held by the Lender as Pledged Interests and as further collateral security for the Secured Obligations;

(v) in the case of each Grantor which is also a Pledged Entity, such Pledged Entity agrees that (i) it will be bound by the terms of this Agreement relating to the Investment Property issued by it and will comply with such terms insofar as such terms are applicable to it, (ii) it will notify the Lender promptly in writing of the occurrence of any of the events described in Section 7(b)(iii) with respect to the Investment Property issued by it and (iii) the terms of this Section 7 shall apply to it, *mutatis mutandis*, with respect to all actions that may be required of it pursuant to this Section 7 with respect to the Investment Property issued by it. Each Grantor will have each non-Grantor Pledged Entity (A) that is an Affiliate of such Grantor to or (B) that is not an Affiliate of such Grantor to use commercially reasonable efforts to, in either case execute and deliver an Acknowledgment and Consent substantially in the form of Exhibit D. In addition, each Grantor which is also either a Pledged Entity or an owner of any Investment Property consents to the grant by each other Grantor of the security interest hereunder in favor of the Lender and to the transfer of any Investment Property to the Lender or its nominee upon the occurrence or during the continuation of an Event of Default and to the substitution of the Lender or its nominee as a partner, member or shareholder of the entity of the related Investment Property without the need for any further action by any Grantor or entity (and hereby confirms that no such action is required);

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(vi) each Grantor hereby authorizes and instructs each Pledged Entity of any Investment Property pledged by such Grantor hereunder (and each Pledged Entity party hereto hereby agrees) to (i) comply with any instruction received by it from the Lender in writing that (A) states that an Event of Default has occurred and is continuing and (B) is otherwise in accordance with the terms of this Agreement, without any other or further action or instructions from such Grantor, and each Grantor agrees that each Pledged Entity shall be fully protected in so complying, and (ii) at any time that an Event of Default exists and is continuing, comply with any instruction received by it from the Lender in writing to pay any dividends or other payments with respect to the Investment Property directly to the Lender. If an Event of Default shall have occurred and be continuing, the Lender shall have the right to register the Pledged Interest in its own name as pledgee, or the name of its nominee (as pledgee) or the name of the applicable Grantor or entity, endorsed or assigned in blank or in favor of the Lender; and

(vii) if the Pledged Entity of any Pledged Shares is the subject of bankruptcy, insolvency, receivership, custodianship or other proceedings under the supervision of any Governmental Authority, then all rights of the Grantor in respect thereof to exercise the voting and other consensual rights which such Grantor would otherwise be entitled to exercise with respect to the Pledged Shares issued by such Pledged Entity shall cease, and all such rights shall thereupon become vested in the Lender who shall thereupon have the sole right to exercise such voting and other consensual rights (in each case, acting at the direction of the Lender), but the Lender or the Lender shall have no duty to exercise any such voting or other consensual rights and shall not be responsible to any Grantor for any failure to do so or delay in so doing.

SECTION 8. Additional Provisions Concerning the Collateral.

(a) To the maximum extent permitted by applicable law, and for the purpose of taking any action that the Lender may deem necessary or advisable to accomplish the purposes of this Agreement and subject in all respects to the terms and conditions hereunder, each Grantor hereby authorizes the Lender at any time and from time to time to file, one or more financing or continuation statements and amendments thereto, relating to the Collateral (including, without limitation, any such financing statements that (i) describe the Collateral as "all assets" or "all personal property" (or words of similar effect) or that describe or identify the Collateral by type or in any other manner as the Lender may determine, regardless of whether any particular asset of such Grantor falls within the scope of Article 9 of the Code or whether any particular asset of such Grantor constitutes part of the Collateral and (ii) contain any other information required by Part 5 of Article 9 of the Code for the sufficiency or filing office acceptance of any financing statement, continuation statement or amendment, including, without limitation, whether such Grantor is an organization, the type of organization and any organizational identification number issued to such Grantor). A photocopy or other reproduction of this Agreement or any such financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

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(b) Each Grantor hereby irrevocably appoints the Lender as its attorney-in-fact and proxy, with full authority in the place and stead of such Grantor and in the name of such Grantor or otherwise, from time to time in the Lender's discretion, to take any action and to execute any instrument that the Lender may reasonably deem necessary or advisable to accomplish the purposes of this Agreement and the other Note Documents (subject to the rights of a Grantor under Section 6 hereof and Section 7(a) hereof and the applicable terms in the Note), including, without limitation, (i) to obtain and adjust insurance required to be paid to the Lender pursuant to the Note, (ii) to ask, demand, collect, sue for, recover, compound, receive and give acquittance and receipts for moneys due and to become due under or in respect of any Collateral, (iii) to receive, endorse, and collect any drafts or other Instruments, Documents and Chattel Paper in connection with clause (i) or (ii) above, (iv) to receive, indorse and collect all Instruments made payable to such Grantor representing any dividend, interest payment or other distribution in respect of any Pledged Interests and to give full discharge for the same, (v) to file any claims or take any action or institute any proceedings which the Lender may deem necessary or desirable for the collection of any Collateral or otherwise to enforce the rights of the Lender with respect to any Collateral, (vi) to execute assignments, licenses and other documents to enforce the rights of the Lender with respect to any Collateral, (vii) to pay or discharge taxes or Liens levied or placed upon or threatened against the Collateral, the legality or validity thereof and the amounts necessary to discharge the same to be determined by the Lender, and such payments made by the Lender to become Primary Obligations of such Grantor to the Lender, due and payable immediately without demand, and shall bear interest from the date payment of said amounts is demanded at the Post-Default Rate, and (viii) to sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, assignments, verifications and notices in connection with Accounts, Chattel Paper and other documents relating to the Collateral. This power and proxy is coupled with an interest and is irrevocable until Payment in Full, but the Lender agrees that it shall only exercise such power following the occurrence and during the continuation of an Event of Default. The Lender shall be under no duty to exercise or withhold the exercise of any of the rights, powers, privileges and options expressly or implicitly granted to the Lender in this Agreement, and shall not be liable for any failure to do so or any delay in doing so. The Lender shall not be liable for any act or omission or for any error of judgment or any mistake of fact or law in its individual capacity or its capacity as attorney-in-fact except acts or omissions resulting from its gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final and non-appealable judgment.

(c) Upon the occurrence and during the continuance of an Event of Default, for the purpose of enabling the Lender to exercise rights and remedies hereunder, at such time as the Lender shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, subject to the terms of any third party rights or agreements, each Grantor hereby grants as of the date hereof to the Lender an irrevocable (with respect to licenses or sublicenses granted to third parties during the continuance of such Event of Default), non-exclusive license (exercisable without payment of royalty or other compensation to any Grantor) to use, assign, license or sublicense any Intellectual Property now or hereafter owned by or (subject to the terms of any third party rights or agreements) licensed to any Grantor, wherever the same may be located, including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout thereof, and the right to prosecute and maintain all Intellectual Property and the right to sue for past, present or future infringement of the Intellectual Property, provided that, (x) with respect to trademarks, such Grantor shall have such rights of quality control to maintain the validity and enforceability of such trademarks, and (y) Lender shall take commercially reasonable measures to protect and maintain the confidentiality of the trade secrets included in the Intellectual Property. Each Grantor hereby releases the Lender from, and indemnifies the Lender against, any claims, causes of action and demands at any time arising out of or with respect to any actions taken or omitted to be taken by the Lender under the powers of attorney, proxy or license, granted herein other than actions caused by the gross negligence or willful misconduct of the Lender, as determined by a final non-appealable judgment of a court of competent jurisdiction.

(d) If any Grantor fails to perform any agreement or obligation contained herein, then, with contemporaneous notice, the Lender may itself perform, or cause

performance of, such agreement or obligation, in the name of such Grantor or the Lender, and the fees and expenses of the Lender incurred in connection therewith shall be jointly and severally payable by the Grantors pursuant to Section 10 hereof and shall constitute additional Primary Obligations of the Grantor to the Lender, be due and payable immediately without demand and bear interest from the date payment of said amounts is demanded at the Post-Default Rate.

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(e) The powers conferred on the Lender hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Other than the exercise of reasonable care to assure the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Lender shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against other parties or any other rights pertaining to any Collateral and shall be relieved of all responsibility for any Collateral in its possession upon surrendering it or tendering surrender of it to any of the Grantors (or whomsoever shall be lawfully entitled to receive the same or as a court of competent jurisdiction shall direct). The Lender shall be deemed to have exercised reasonable care in the custody and preservation of any Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Lender accords its own property, it being understood that the Lender shall not have responsibility for ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relating to any Collateral, whether or not the Lender has or is deemed to have knowledge of such matters. The Lender shall not be liable or responsible for any loss or damage to any of the Collateral, or for any diminution in the value thereof, by reason of the act or omission of any warehouseman, carrier, forwarding agency, consignee and other agent or bailee except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Lender acted with gross negligence or willful misconduct in the selection of such warehouseman, carrier, forwarding agency, consignee or other agent or bailee.

(f) Notwithstanding anything herein to the contrary, (a) each Grantor shall remain liable for all obligations under and in respect of the Collateral and nothing contained herein is intended or shall be a delegation of duties to the Lender or any other Secured Party and (b) each Grantor shall remain liable under each of the contracts and agreements included in the Collateral, including under each of the Assigned Agreements, Accounts, Chattel Paper and Payment Intangibles included in the Collateral, to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any such contract or agreement, including the Assigned Agreements, or any agreement giving rise to each such Account, Chattel Paper or Payment Intangible, and neither the Lender nor any other Secured Party shall have any obligation or liability under any such contracts and agreements or any such Account, Chattel Paper or Payment Intangible (or any agreement giving rise thereto) by reason of or arising out of this Agreement or the receipt by the Lender or any such other Secured Party of any payment relating to such contracts and agreements or such Account, Chattel Paper or Payment Intangible, pursuant hereto, nor shall the Lender or any other Secured Party be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any such contracts and agreements or Account, Chattel Paper or Payment Intangible (or any agreement giving rise thereto), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any such contracts and agreements or Account, Chattel Paper or Payment Intangible (or any agreement giving rise thereto), to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times. The exercise by the Lender of any of its rights hereunder shall not release any Grantor from any of its duties or obligations under the contracts and agreements included in the Collateral.

(g) The Lender may at any time (i) subject to the terms of Section 7 following the occurrence and during the continuation of an Event of Default, transfer or register in the name of the Lender or any of its nominees any or all of the Pledged Interests (for the avoidance of doubt, without limiting, and not as a requirement to exercising, any rights under Section 7 hereof) and (ii) exchange certificates or Instruments evidencing Pledged Interests for certificates or Instruments of smaller or larger denominations.

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SECTION 9. Events of Default; Remedies Upon Default; Cure Rights. If any Event of Default shall have occurred and be continuing:

(a) The Lender may exercise in respect of the Collateral, in addition to any other rights and remedies provided for herein or otherwise available to it, all of the rights and remedies of a secured party upon default under the Code (whether or not the Code applies to the affected Collateral), and also may, subject to the terms of Section 7, (i) take absolute control of the Collateral, including, without limitation, transfer into the Lender's name or into the name of its nominee or nominees (to the extent the Lender has not theretofore done so) and thereafter receive, for the benefit of the Lender, all payments made thereon, give all consents, waivers and ratifications in respect thereof and otherwise act with respect thereto as though it were the outright owner thereof, (ii) require each Grantor to, and each Grantor hereby agrees that it will at its sole cost and expense and upon request of the Lender forthwith, assemble all or part of the Collateral as directed by the Lender and make it available to the Lender at a place or places to be designated by the Lender that is reasonably convenient to both parties, and the Lender may enter into and occupy any premises owned or leased by any Grantor where the Collateral or any part thereof is located or assembled for a reasonable period in order to effectuate the Lender's rights and remedies hereunder or under law, without obligation to any Grantor in respect of such occupation, and (iii) without notice except as specified below and without any obligation to prepare or process the Collateral for sale, (A) sell the Collateral or any part thereof in one or more parcels at public or private sale, at any of the Lender's (or its designees' or nominees') offices, at any exchange or broker's board or elsewhere, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as the Lender may deem commercially reasonable and/or (B) lease, license or otherwise dispose of the Collateral or any part thereof upon such terms as the Lender may deem commercially reasonable. Each Grantor agrees that, to the extent notice of sale or any other disposition of the Collateral shall be required by law, at least ten (10) days' prior notice to the applicable Grantor of the time and place of any public sale or the time after which any private sale or other disposition of the Collateral is to be made shall constitute reasonable notification. The Lender shall not be obligated to make any sale or other disposition of Collateral regardless of notice of sale having been given. The Lender may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Each Grantor hereby waives any claims against the Lender arising by reason of the fact that the price at which the Collateral may have been sold at a private sale was less than the price which might have been obtained at a public sale or was less than the aggregate amount of the Secured Obligations, even if the Lender accepts the first offer received and does not offer the Collateral to more than one offeree, and waives all rights that such Grantor may have to require that all or any part of the Collateral be marshaled upon any sale (public or private) thereof. Each Grantor hereby acknowledges that (i) any such sale of the Collateral by the Lender shall be made without warranty, (ii) the Lender may specifically disclaim any warranties of title, possession, quiet enjoyment or the like, (iii) the Lender may bid (which bid may be, in whole or in part, in the form of cancellation of indebtedness), if permitted by law, for the purchase, lease, license or other disposition of the Collateral or any portion thereof for the account of the Lender and (iv) such actions set forth in clauses (i), (ii) and (iii) above shall not adversely affect the commercial reasonableness of any such sale of the Collateral. In addition to the foregoing, subject to Section 8 hereof (i) upon written notice to any Grantor from the Lender, each Grantor shall cease any use of the Intellectual Property or any trademark similar thereto for any purpose described in such notice; (ii) the Lender may, at any time and from time to time, license, whether general, special or otherwise, and whether on an exclusive or non-exclusive basis, any of the Intellectual Property, throughout the universe for such term or terms, on such conditions, and in such manner, as the Lender shall in their sole discretion determine; and (iii) the Lender may, at any time, pursuant to the authority granted in Section 8 hereof (such authority being effective upon the occurrence and during the continuance of an Event of Default), execute and deliver on behalf of a Grantor, one or more instruments of assignment of the Intellectual Property (or any application or registration thereof), in form suitable for filing, recording or registration in any country.

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(b) In the event that the Lender determines to exercise its right to sell all or any part of the Pledged Interests pursuant to Section 9(a) hereof, each Grantor will, at such Grantor's sole cost and expense and upon request by the Lender: (i) execute and deliver, and cause each issuer of such Pledged Interests and the directors and officers (or any equivalent) thereof to execute and deliver, all such instruments and documents, and do or cause to be done all such other acts and things, as may be necessary or, in the opinion of the Lender, advisable to register such Pledged Interests under the provisions of the Securities Act, and to cause the registration statement relating thereto to become effective and to remain effective for such period as prospectuses are required by law to be furnished, and to make all amendments and supplements thereto and to the related prospectus which, in the opinion of the Lender or the Lender, are necessary or advisable, all in conformity with the requirements of the Securities Act and the rules and regulations of the SEC applicable thereto, (ii) cause each issuer of such Pledged Interests to qualify such Pledged Interests under the state securities or "Blue Sky" laws of each jurisdiction, and to obtain all necessary governmental approvals for the sale of the Pledged Interests, as requested by the Lender or the Lender, (iii) cause each Pledged Entity to

make available to its security holders, as soon as practicable, an earnings statement which will satisfy the provisions of Section 11(a) of the Securities Act, and (iv) do or cause to be done all such other acts and things as may be necessary to make such sale of such Pledged Interests valid and binding and in compliance with applicable law. Each Grantor acknowledges the impossibility of ascertaining the amount of damages which would be suffered by the Lender or any other Secured Party by reason of the failure by any Grantor to perform any of the covenants contained in this Section 9(b) and, consequently, agrees that, if any Grantor fails to perform any of such covenants, it shall pay, as liquidated damages and not as a penalty, an amount equal to the value of the Pledged Interests on the date the Lender demands compliance with this Section 9(b) provided, however, that the payment of such amount shall not release any Grantor from any of its obligations under any of the other Note Documents.

(c) Notwithstanding the provisions of Section 9(b) hereof, each Grantor recognizes that the Lender may deem it impracticable to effect a public sale of all or any part of the Pledged Shares or any other securities constituting Pledged Interests and that the Lender may, therefore, determine to make one or more private sales of any such securities to a restricted group of purchasers who will be obligated to agree, among other things, to acquire such securities for their own account, for investment and not with a view to the distribution or resale thereof. Each Grantor acknowledges that any such private sale may be at prices and on terms less favorable to the seller than the prices and other terms which might have been obtained at a public sale and, notwithstanding the foregoing, agrees that such private sales shall be deemed to have been made in a commercially reasonable manner and that the Lender shall have no obligation to delay the sale of any such securities for the period of time necessary to permit the issuer of such securities to register such securities for public sale under the Securities Act. Each Grantor further acknowledges and agrees that any offer to sell such securities which has been (i) publicly advertised on a bona fide basis in a newspaper or other publication of general circulation in the financial community of New York, New York (to the extent that such an offer may be so advertised without prior registration under the Securities Act) or (ii) made privately in the manner described above to not less than fifteen bona fide offerees shall be deemed to involve a "public disposition" for the purposes of Section 9-610(c) of the Code (or any successor or similar, applicable statutory provision) as then in effect in the State of New York, notwithstanding that such sale may not constitute a "public offering" under the Securities Act, and that the Lender may, in such event, bid for the purchase of such securities.

(d) Any cash held by the Lender (or its agent or designee) as Collateral and all Cash Proceeds received by the Lender (or its agent or designee) in respect of any sale of or collection from, or other realization upon, all or any part of the Collateral may, in the discretion of the Lender, be held by the Lender (or its agent or designee) as collateral for, and/or then or at any time thereafter applied (after payment of any amounts payable to the Lender pursuant to Section 10 hereof) in whole or in part by the Lender against, all or any part of the Secured Obligations in such order consistent with the provisions of the Note. Any surplus of such cash or Cash Proceeds held by the Lender (or its agent or designee) and remaining after the date on which Payment in Full occurs, shall be paid over to whomsoever shall be lawfully entitled to receive the same or as a court of competent jurisdiction shall direct.

(e) In the event that the proceeds of any such sale, collection or realization are insufficient to pay all amounts to which the Lender is legally entitled, the Grantors shall be jointly and severally liable for the deficiency, together with interest thereon at the highest rate specified in any applicable Note Document for interest on overdue principal thereof or such other rate as shall be fixed by applicable law, together with the costs of collection and the reasonable and documented fees, costs, expenses and other client charges (including reasonable fees of any attorneys employed by the Lender) to collect such deficiency.

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(f) Each Grantor hereby acknowledges that if the Lender complies with any applicable requirements of law in connection with a disposition of the Collateral, such compliance will not adversely affect the commercial reasonableness of any sale or other disposition of the Collateral.

(g) The Lender shall not be required to marshal any present or future collateral security (including, but not limited to, this Agreement and the Collateral) for, or other assurances of payment of, the Secured Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order, and all of the Lender's rights hereunder and in respect of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights, however existing or arising. To the extent that any Grantor lawfully may, such Grantor hereby agrees that it will not invoke any law relating to the marshalling of collateral which might cause delay in or impede the enforcement of the Lender's rights under this Agreement or under any other instrument creating or evidencing any of the Secured Obligations or under which any of the Secured Obligations is outstanding or by which any of the Secured Obligations is secured or payment thereof is otherwise assured, and, to the extent that it lawfully may, each Grantor hereby irrevocably waives the benefits of all such laws.

SECTION 10. Indemnity, Expenses and Miscellaneous.

(a) Each Grantor, jointly and severally, agrees to pay or promptly reimburse the Lender and each other Secured Party for all reasonable and documented out-of-pocket advances, charges, costs and expenses (including, without limitation, all out-of-pocket costs and expenses of holding, preparing for sale and selling, collecting or otherwise realizing upon the Collateral and all reasonable and documented out-of-pocket attorneys' fees, legal expenses and court costs incurred by any Secured Party in connection with the exercise of its respective rights and remedies hereunder), including, without limitation, any out-of-pocket advances, charges, costs and expenses that may be incurred in any effort to enforce any of the provisions of this Agreement or any obligation of any Grantor in respect of the Collateral or in connection with (i) the preservation of the Lien of, or the rights of the Lender or any other Secured Party under this Agreement, (ii) any actual or attempted sale, lease, disposition, exchange, collection, compromise, settlement or other realization in respect of, or care of, the Collateral, including all such costs and expenses incurred in any bankruptcy, reorganization, workout or other similar proceeding, or (iii) collecting against such Grantor under the guarantee contained in Section 13 hereof or otherwise enforcing or preserving any rights under this Agreement and the other Note Documents to which such Grantor is a party.

(b) Each Grantor jointly and severally agrees to pay, and to save the Lender and the Secured Parties harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Agreement.

(c) The parties hereto agree that the Lender and the Secured Parties shall be entitled to reimbursement of their respective reasonable and documented out-of-pocket expenses incurred hereunder and indemnity for its actions in connection herewith as provided in Section 7 of the Note including the proviso in such Section specifying the exceptions and limitations to such indemnification and reimbursement obligations; provided that each reference therein to the "Company" shall be deemed to be a reference to "each Grantor".

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(d) Any such amounts payable as provided hereunder shall be additional Primary Obligations secured hereby and by the other Security Documents. All amounts for which any Grantor is liable pursuant to this Section 10 shall be due and payable by such Grantor to the Secured Parties not later than ten (10) Business Days after written demand therefor.

SECTION 11. Notices, Etc. All notices and other communications provided for hereunder shall be given in accordance with the notice provision of the Note.

SECTION 12. Security Interest Absolute: Joint and Several Obligations.

(a) All rights of the Secured Parties, all Liens and all obligations of each of the Grantors hereunder shall be absolute and unconditional irrespective of (i) any lack of validity or enforceability of the Note or any other Note Document, (ii) any change in the time, manner or place of payment of, or in any other term in respect of, all or any of the Secured Obligations, or any other amendment or waiver of or consent to any departure from the Note or any other Note Document, (iii) any exchange or release of, or non-perfection of any Lien on any Collateral, or any release or amendment or waiver of or consent to departure from any guaranty, for all or any of the Secured Obligations, or (iv) any other circumstance that might otherwise constitute a defense (other than Payment in Full) available to, or a discharge of, any of the Grantors in respect of the Secured

Obligations, until the date on which all of the Secured Obligations have been paid in full in cash after the termination of the Lender's Commitments and each of the Note Documents. All authorizations and agencies contained herein with respect to any of the Collateral are irrevocable and powers coupled with an interest subject to Section 15(d).

(b) Each Grantor hereby waives (to the extent permitted by applicable law) (i) promptness and diligence, (ii) notice of acceptance and notice of the incurrence of any Secured Obligation by the Company or any other Group Member, (iii) notice of any actions taken by the Lender, any Guarantor or any other Person under any Note Document or any other agreement, document or instrument relating thereto, (iv) all other notices, demands and protests, and all other formalities of every kind in connection with the enforcement of the Secured Obligations, the omission of or delay in which, but for the provisions of this subsection (b), might constitute grounds for relieving such Grantor of any such Grantor's obligations hereunder and (v) any requirement that the Lender protect, secure, perfect or insure any security interest or other lien on any property subject thereto or exhaust any right or take any action against any Grantor or any other Person or any collateral.

(c) All of the obligations of the Grantors hereunder are joint and several. The Lender may, in its sole and absolute discretion, enforce the provisions hereof against any of the Grantors and shall not be required to proceed against all Grantors jointly or seek payment from the Grantors ratably. In addition, the Lender may, in its sole and absolute discretion, select the Collateral of any one or more of the Grantors for sale or application to the Secured Obligations, without regard to the ownership of such Collateral, and shall not be required to make such selection ratably from the Collateral owned by all of the Grantors. The release or discharge of any Grantor by the Lender shall not release or discharge any other Grantor from the obligations of such Person hereunder.

SECTION 13. Guarantee.

(a) Guarantee.

(i) Each of the Guarantors hereby, jointly and severally, unconditionally and irrevocably, guarantees to the Lender, for the ratable benefit of the Secured Parties and each of their respective successors, indorsees, transferees and assigns, the prompt and complete payment and performance by the Credit Parties when due (whether at the stated maturity, by acceleration or otherwise) of the Primary Obligations now or hereafter existing, whether for principal, interest (including interest accruing at any post-default rate and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to any Group Member, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), fees, commissions, expense reimbursements, indemnifications or otherwise. This is a guarantee of payment and performance when due and not of collection, and the liability of each Guarantor is primary and not secondary.

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(ii) Anything herein or in any other Note Document to the contrary notwithstanding, the maximum liability of each Guarantor (other than the Company) hereunder and under the other Note Documents shall in no event exceed the amount which can be guaranteed by such Guarantor under applicable federal and state laws relating to the insolvency of debtors (after giving effect to the right of contribution established in Section 13(b)).

(iii) Each Guarantor agrees that the Primary Obligations may at any time and from time to time exceed the amount of the liability of such Guarantor hereunder without impairing the guarantee contained in this Section 13 or affecting the rights and remedies of the Lender or any Secured Party hereunder.

(iv) Each Guarantor agrees that if the maturity of any of the Primary Obligations is accelerated by bankruptcy or otherwise, such maturity shall also be deemed accelerated for the purpose of this guarantee without demand or notice to such Guarantor. The guarantee contained in this Section 13 shall remain in full force and effect until Payment in Full.

(v) No payment made by the Company, any other Credit Party with Primary Obligations, any of the Guarantors, any other guarantor or any other Person or received or collected by the Lender or any other Secured Party from the Company, any other Credit Party with Primary Obligations, any of the Guarantors, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of any Primary Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of any Guarantor hereunder which shall, notwithstanding any such payment (other than any payment made by such Guarantor in respect of any Primary Obligations or any payment received or collected from such Guarantor in respect of any Primary Obligations), remain liable for the Primary Obligations up to the maximum liability of such Guarantor hereunder until Payment in Full.

(b) Right of Contribution. Each Guarantor hereby agrees that to the extent that a Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder which has not paid its proportionate share of such payment. Each Guarantor's right of contribution shall be subject to the terms and conditions of Section 13(e). The provisions of this Section 13(b) shall in no respect limit the obligations and liabilities of any Guarantor to the Lender, and each Guarantor shall remain liable to the Lender for the full amount guaranteed by such Guarantor hereunder.

(c) Payments. Each Guarantor hereby agrees and guarantees that payments hereunder will be paid to the Lender without set-off or counterclaim in dollars that constitute immediately available funds at the principal office of the Lender specified pursuant to the Note.

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(d) Guarantee Absolute and Unconditional. Each Guarantor waives (to the extent permitted by applicable law) any and all notice of the creation, renewal, extension or accrual of any of the Primary Obligations and notice of or proof of reliance by the Lender or any Secured Party upon the guarantee contained in this Section 13 or acceptance of the guarantee contained in this Section 13; the Primary Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the guarantee contained in this Section 13; and all dealings between the Credit Parties, on the one hand, and the Lender and the Secured Parties, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Section 13. Each Guarantor waives (to the extent permitted by applicable law) diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Company, any other Credit Party with Primary Obligations or any of the Guarantors with respect to the Primary Obligations. Each Guarantor understands and agrees that the guarantee contained in this Section 13 shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity or enforceability of the Note or any other Note Document, any of the Primary Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Lender or any Secured Party, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by the Company, any other Credit Party or any other Person against the Lender or any Secured Party, or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Company, any other Credit Party with Primary Obligations or such Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Credit Parties for the Primary Obligations, or of such Guarantor under the guarantee contained in this Section 13, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against any Guarantor, the Lender or any Secured Party may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against the Company, any other Credit Party with Primary Obligations, any other Guarantor or any other Person or against any collateral security or guarantee for the Primary Obligations or any right of offset with respect thereto, and any failure by the Lender or any Secured Party to make any such demand, to pursue such other rights or remedies or to collect any payments from the Company, any other Credit Party with Primary Obligations, any other Guarantor or any other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Company, any other Credit Party with Primary Obligations, any other Guarantor or any other Person or any such collateral security, guarantee or right of offset, shall not relieve any Guarantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Lender or any Secured Party against any Guarantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

(e) No Subrogation, Contribution or Reimbursement. Notwithstanding any payment made by any Guarantor hereunder or any set-off or application of funds

of any Guarantor by the Lender or any other Secured Party, no Guarantor shall be entitled to be subrogated to any of the rights of the Lender or any other Secured Party against the Company or any other Guarantor or any collateral security or guarantee or right of offset held by the Lender or any other Secured Party for the payment of the Primary Obligations, nor shall any Guarantor seek or be entitled to seek any indemnity, exoneration, participation, contribution or reimbursement from the Company or any other Guarantor in respect of payments made by such Guarantor hereunder, and each Guarantor hereby expressly waives (to the extent permitted by applicable law), releases, and agrees not to exercise all such rights of subrogation, reimbursement, indemnity and contribution, in each case, until Payment in Full. Each Guarantor further agrees that to the extent that such waiver and release set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any rights of subrogation, reimbursement, indemnity and contribution such Guarantor may have against the Company, any other Guarantor or against any collateral or security or guarantee or right of offset held by the Lender or any other Secured Party shall be junior and subordinate to any rights the Lender and the other Secured Parties may have against the Company and such Guarantor and to all right, title and interest the Lender and the other Secured Parties may have in any collateral or security or guarantee or right of offset. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time when all of the Primary Obligations shall not have been paid in full, such amount shall be held by such Guarantor in trust for the Lender and the Secured Parties, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be turned over to the Lender in the exact form received by such Guarantor (duly indorsed by such Guarantor to the Lender, if required), to be applied against the Primary Obligations, whether matured or unmatured, in such order as the Lender may determine. The Lender, for the benefit of the Secured Parties, may, to the extent it has the right to do so in accordance with the terms and conditions of the Note and the other Note Documents, use, sell or dispose of any item of Collateral or security as it sees fit without regard to any subrogation rights any Guarantor may have, and upon any disposition or sale, any rights of subrogation any Guarantor may have shall terminate.

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SECTION 14. Subordination of Indebtedness.

(a) Subordination of All Grantor Claims. As used herein, the term "Grantor Claims" shall mean all debts and obligations of any Grantor to any other Grantor or any other Group Member, whether such debts and obligations now exist or are hereafter incurred or arise, or whether the obligation of the debtor thereon be direct, contingent, primary, secondary, several, joint and several, or otherwise, and irrespective of whether such debts or obligations be evidenced by note, contract, open account, or otherwise, and irrespective of the Person or Persons in whose favor such debts or obligations may, at their inception, have been, or may hereafter be created, or the manner in which they have been or may hereafter be acquired by. After the occurrence and during the continuation of an Event of Default, no Grantor shall receive or collect, directly or indirectly, from any obligor in respect thereof any amount upon the Grantor Claims.

(b) Claims in Bankruptcy. In the event of receivership, bankruptcy, reorganization, arrangement, debtor's relief or other insolvency proceedings involving any Grantor or any other Group Member, the Lender on behalf of the Secured Parties shall have the right to prove their claim in any proceeding, so as to establish their rights hereunder and receive directly from the receiver, trustee or other court custodian, dividends and payments which would otherwise be payable upon Grantor Claims. Each Grantor hereby assigns such dividends and payments to the Lender for the benefit of the Secured Parties for application against the Secured Obligations as provided under the Note. Should the Lender or Secured Party receive, for application upon the Secured Obligations, any such dividend or payment which is otherwise payable to any Grantor, and which, as between such Grantor, shall constitute a credit upon the Grantor Claims, then upon Payment in Full, the intended recipient shall become subrogated to the rights of the Lender and the other Secured Parties to the extent that such payments to the Lender and the other Secured Parties on the Grantor Claims have contributed toward the liquidation of the Secured Obligations, and such subrogation shall be with respect to that proportion of the Secured Obligations which would have been unpaid if the Lender and the other Secured Parties had not received dividends or payments upon the Grantor Claims.

(c) Payments Held in Trust. In the event that notwithstanding Section 14(a) and Section 14(b), any Grantor should receive any funds, payments, claims or distributions which is prohibited by such Sections, then it agrees: (i) to hold in trust for the Lender and the other Secured Parties an amount equal to the amount of all funds, payments, claims or distributions so received segregated from the other funds of such Grantor and (ii) that it shall upon receipt, pay them promptly to the Lender in the exact form agreed (duly endorsed by such Grantor to the Lender, if required), for the benefit of the Secured Parties; and each Grantor covenants promptly to pay the same to the Lender.

(d) Liens Subordinate. Each Grantor agrees that, until Payment in Full, any Liens securing payment of the Grantor Claims shall be and remain inferior and subordinate to any Liens securing payment of the Secured Obligations, regardless of whether such encumbrances in favor of such Grantor, the Lender or any other Secured Party presently exist or are hereafter created or attach. Prior to Payment in Full, without the prior written consent of the Lender, no Grantor shall (a) exercise or enforce any creditor's right it may have against any debtor in respect of the Grantor Claims, or (b) foreclose, repossess, sequester or otherwise take steps or institute any action or proceeding (judicial or otherwise, including without limitation the commencement of or joinder in any liquidation, bankruptcy, rearrangement, debtor's relief or insolvency proceeding) to enforce any Lien held by it.

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(e) Notation of Records. All promissory notes and all accounts receivable ledgers or other evidence of the Grantor Claims accepted by or held by any Grantor shall contain a specific written notice thereon that the indebtedness evidenced thereby is subordinated under the terms of this Agreement.

SECTION 15. Miscellaneous.

(a) No amendment or waiver of any provision of this Agreement (including any Schedule attached hereto) shall be effective unless it is in writing and signed by each (or the relevant Grantor in the case of any Schedule attached hereto) Grantor and the Lender.

(b) No failure on the part of the Secured Parties to exercise, and no delay in exercising, any right hereunder or under any other Note Document shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The rights and remedies of the Secured Parties provided herein and in the other Note Documents are cumulative and are in addition to, and not exclusive of, any rights or remedies provided by law. The rights of the Secured Parties under any Note Document against any party thereto are not conditional or contingent on any attempt by such Person to exercise any of its rights under any other Note Document against such party or against any other Person, including but not limited to, any Grantor.

(c) This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect, subject to paragraph (e) below, until Payment in Full and (ii) be binding on each Grantor all other Persons who become bound as debtor to this Agreement in accordance with Section 9-203(d) of the Code, and shall inure, together with all rights and remedies of the Secured Parties hereunder, to the benefit of the Secured Parties and their respective successors, transferees and assigns. Without limiting the generality of clause (ii) of the immediately preceding sentence, the Secured Parties may assign or otherwise transfer their respective rights and obligations under this Agreement and any other Note Document to any other Person pursuant to the terms of the Note, and such other Person shall thereupon become vested with all of the benefits in respect thereof granted to the Secured Parties herein or otherwise. Upon any such assignment or transfer, all references in this Agreement to any Secured Party shall mean the assignee of any such Secured Party. None of the rights or obligations of any Grantor hereunder may be assigned or otherwise transferred without the prior written consent of the Lender, and any such assignment or transfer shall be null and void.

(d) Upon Payment in Full, the Lender will, upon the Grantors' request and at the Grantors' cost and expense, without any representation, warranty or recourse whatsoever, return to the Grantors (or whomsoever shall be lawfully entitled to receive the same or as a court of competent jurisdiction shall direct) such of the Collateral as shall not have been sold or otherwise disposed of or applied pursuant to the terms hereof and (ii) execute and deliver to the Grantors such documents as the Grantors shall reasonably request to evidence such return.

(e) This Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against any Grantor for liquidation or

reorganization, should any Grantor become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of any Grantor's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment or performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Secured Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. The obligations of each Grantor under this Agreement (including with respect to the guarantee contained in Section 13 and the provision of collateral herein) shall continue to be effective, or be reinstated, as the case may be, if at any time, payment, or any part thereof, of any of the Secured Obligations is rescinded or must otherwise be restored or returned by the Lender or any other Secured Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any Group Member, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Company or any Group Member or any substantial part of its property, or otherwise, all as though such payments had not been made.

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(f) Upon the execution and delivery, or authentication, by any Person of a guarantee and collateral agreement supplement in substantially the form of Exhibit C hereto (each a "Guarantee and Collateral Agreement Supplement"), (i) such Person shall be referred to as an "Additional Grantor" and shall be and become a Grantor, and each reference in this Agreement to "Grantor" shall also mean and be a reference to such Additional Grantor, and each reference in this Agreement and the other Note Documents to "Collateral" shall also mean and be a reference to the Collateral of such Additional Grantor, and (ii) the supplemental Schedules I-XI attached to each Guarantee and Collateral Agreement Supplement shall be incorporated into and become a part of and supplement Schedules I-XI, respectively, hereto, and the Lender may attach such Schedules as supplements to such Schedules, and each reference to such Schedules shall mean and be a reference to such Schedules, as supplemented pursuant hereto.

(g) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

(h) In addition to and without limitation of any of the foregoing, this Agreement shall be deemed to be a Note Document and shall otherwise be subject to all of terms and conditions contained in Section 8 of the Note, *mutatis mutandi*.

(i) Each Grantor hereto irrevocably and unconditionally waives any right it may have to claim or recover in any legal action, suit or proceeding with respect to this Agreement any special, exemplary, punitive or consequential damages.

(j) Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof or thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

(k) Section headings herein are included for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

(l) This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. The words "execution," "execute," "signed," "signature," and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Lender, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary the Lender is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Lender pursuant to procedures approved by it.

(m) By acceptance of the benefits of this Agreement and any other Documents, each Secured Party (whether or not a signatory hereto) shall be deemed irrevocably (a) to consent to the appointment of the Lender as its agent hereunder and (b) to confirm that the Lender shall have the authority to act as the agent of such Secured Party for the enforcement of any provisions of this Agreement against any Grantor, the exercise of remedies hereunder or thereunder and the giving or withholding of any consent or approval hereunder or thereunder relating to any Collateral or any Grantor's obligations with respect thereto.

(n) This Agreement is a Note Document executed pursuant to the Note.

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IN WITNESS WHEREOF, each Grantor has caused this Agreement to be executed and delivered by its officer (or any equivalent) thereunto duly authorized, as of the date first above written.

GRANTORS:

APLD ELN-02 HOLDINGS LLC

By: /s/ David Rench
Name: David Rench
Title: Secretary

APLD ELN-02 LLC

By: /s/ David Rench
Name: David Rench
Title: Secretary

APLD ELN-02 A LLC

By: /s/ David Rench
Name: David Rench
Title: Secretary

APLD ELN-02 B LLC

By: /s/ David Rench
Name: David Rench
Title: Secretary

APLD ELN-02 C LLC

By: /s/ David Rench

Name: David Rench

Title: Secretary

[Signature Page to Guarantee and Collateral Agreement]

ACKNOWLEDGED AND AGREED:

MACQUARIE EQUIPMENT CAPITAL, INC.,
as Lender

By: /s/ Greg Fitzgerald

Name: Greg Fitzgerald

Title: Authorized Signatory

By: /s/ Robert Downey

Name: Robert Downey

Title: Division Director

[Signature Page to Guarantee and Collateral Agreement]

EXHIBIT A

PLEDGE AMENDMENT

This Pledge Amendment, dated _____, __, is delivered pursuant to Section 4 of the Guarantee and Collateral Agreement referred to below. The undersigned hereby agrees that this Pledge Amendment may be attached to the Guarantee and Collateral Agreement, dated November 27, 2024, as it may heretofore have been or hereafter may be amended, restated, supplemented, modified or otherwise changed from time to time (the "Guarantee and Collateral Agreement") and that the promissory notes or shares listed on this Pledge Amendment shall be hereby pledged and collaterally assigned to the Lender and become part of the Pledged Interests referred to in such Pledge Amendment and shall secure all of the Secured Obligations referred to in such Guarantee and Collateral Agreement.

Grantor	Name of Maker	Pledged Debt		Principal Amount Outstanding as of
		Description		

Grantor	Name of Pledged Entity	Pledged Shares			
		Number of Shares	Percentage of Outstanding Shares	Class	Certificate Number

[PLEDGOR]

By: _____

Name: _____

Title: _____

MACQUARIE EQUIPMENT CAPITAL, INC.,
as the Lender

By: _____

Name: _____

Title: _____

Exh. A-1

EXHIBIT B

GRANT OF A SECURITY INTEREST —[TRADEMARKS] [PATENTS] [COPYRIGHTS]

This [Trademark][Copyright][Patent] Security Agreement (this "[Trademark][Copyright][Patent] Security Agreement") is made as of _____, 20 __, by _____ ("Grantor"), in favor of Macquarie Equipment Capital, Inc., in its capacity as Lender for the Secured Parties (in such capacity, together with its successors and assigns in such capacity, if any, "Grantee").

WITNESSETH:

WHEREAS, the Grantor [has adopted, used and is using, and holds all right, title and interest in and to, the trademarks and service marks listed on the attached Schedule A, which trademarks and service marks are registered or applied for in the United States Patent and Trademark Office (the "Trademarks") [holds all right, title and interest in the letter patents, design patents and utility patents listed on the attached Schedule A, which patents are issued or applied for in the United States Patent and Trademark Office (the "Patents") [holds all right, title and interest in the copyrights listed on the attached Schedule A, which copyrights are registered in the United States Copyright Office (the "Copyrights")];

WHEREAS, the Grantor has entered into a Guarantee and Collateral Agreement, dated November 27, 2024 (as amended, restated, amended and restated, supplemented, modified or otherwise changed from time to time, the "Guarantee and Collateral Agreement"), in favor of Grantee;

WHEREAS, pursuant to the Guarantee and Collateral Agreement, the Grantor has granted to the Grantee for the benefit of the Secured Parties (as defined in the Guarantee and Collateral Agreement), a continuing security interest in all right, title and interest of the Grantor in and to certain collateral, including, among other property, the [Trademarks (as defined in the Guarantee and Collateral Agreement), together with, among other things, the goodwill of the business symbolized by the Trademarks] [Patents (as defined in the Guarantee and Collateral Agreement)] [Copyrights and exclusive Licenses thereto (in each case, as defined in the Guarantee and Collateral Agreement)], including all applications and registrations thereof, and all Proceeds thereof, including, without limitation, any and all causes of action which may exist by reason of infringement thereof and any and all damages arising from past, present and future violations thereof (collectively, but excluding any Excluded Assets, the "[Trademark] [Patent][Copyright] Collateral"), as collateral security for the payment, performance and observance of all of the Secured Obligations (as defined in the Guarantee and Collateral Agreement); and

WHEREAS, the Grantor has duly authorized the execution, delivery and performance of this [Trademark][Patent][Copyright] Security Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor does hereby pledge, transfer and collaterally assign to the Grantee (and its agents and designees) and grant to the Grantee (and its agents and designees), for the benefit of the Secured Parties, a continuing security interest in all right, title and interest of the Grantor in the [Trademark][Patent][Copyright] Collateral, including, without limitation, the [Trademarks][Patents] [Copyrights and exclusive Copyright Licenses] listed on Schedule A attached hereto, as collateral security for the prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of all of the Grantor's Secured Obligations.

All capitalized terms used but not otherwise defined herein have the meanings given to them in the Guarantee and Collateral Agreement.

The Grantor does hereby further acknowledge and affirm that the rights and remedies of the Grantee with respect to the Collateral are more fully set forth in the Guarantee and Collateral Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein. In the event of any conflict between the terms of this [Trademark][Patent][Copyright] Agreement and the terms of the Guarantee and Collateral Agreement, the terms of the Guarantee and Collateral Agreement shall govern.

This [Trademark][Patent][Copyright] Security Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

This [Trademark][Patent][Copyright] Security Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. The words "execution," "execute," "signed," "signature," and words of like import in or related to this [Trademark][Patent][Copyright] Security Agreement and the transactions contemplated hereby shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Grantee, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary the Grantee is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Grantee pursuant to procedures approved by it.

[Remainder of page intentionally left blank]

Exh. B-1

IN WITNESS WHEREOF, the Grantor has caused this [Trademark][Copyright][Patent] Security Agreement to be duly executed by its officer (or any equivalent) thereunto duly authorized as of the date first set forth above.

[GRANTOR]

By: _____
Name: _____
Title: _____

Exh. B-2

ACKNOWLEDGED AND AGREED:

MACQUARIE EQUIPMENT CAPITAL, INC.,
as the Lender

By: _____
Name: _____
Title: _____

Exh. B-3

SCHEDULE A TO GRANT OF A SECURITY INTEREST

[Trademark Registrations and Applications]
[Patents and Patent Applications]
[Copyright Registrations and exclusive Copyright Licenses]

Exh. B-4

EXHIBIT C

FORM OF GUARANTEE AND COLLATERAL AGREEMENT SUPPLEMENT

Macquarie Equipment Capital, Inc., as the Lender

Address: []

Attention: []

Email: []

Ladies and Gentlemen:

Reference hereby is made to (i) the Promissory Note, dated as of November 27, 2024 (such agreement, as amended, restated, amended and restated, supplemented or otherwise modified from time to time, being hereinafter referred to as the "Note"), by APLD ELN-02 Holdings LLC, a Delaware limited liability company, in favor of Macquarie Equipment Capital, Inc.; and (ii) the Guarantee and Collateral Agreement, dated as of November 27, 2024 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Guarantee and Collateral Agreement"), made by the Grantors from time to time party thereto in favor of Macquarie Equipment Capital, Inc., in its capacity as the Lender for the Secured Parties (in such capacity, together with its successors and assigns in such capacity, if any, the "Lender"). Capitalized terms defined in the Note or the Guarantee and Collateral Agreement and not otherwise defined herein are used herein as defined in the Note or the Guarantee and Collateral Agreement.

SECTION 1. Grant of Security and Guarantee.

(a) The undersigned hereby pledges, transfers and collaterally assigns to the Lender (and its agents and designees), and grants to the Lender (and its agents and designees), for the benefit of the Secured Parties, a continuing security interest in all of its right, title and interest to and in the Collateral, wherever located and whether now or hereafter existing and whether now owned or hereafter acquired, as collateral security for the prompt and complete payment, observance and performance when due (whether at the stated maturity, by acceleration or otherwise) of all of the undersigned's Secured Obligations.

(b) The undersigned hereby agrees to the provisions of Section 13 of the Guarantee and Collateral Agreement and, jointly and severally, unconditionally and irrevocably, guarantees to the Lender, for the ratable benefit of the Secured Parties and each of their respective successors, indorsees, transferees and assigns, the prompt and complete payment and performance by the Credit Parties when due (whether at the stated maturity, by acceleration or otherwise) of the Primary Obligations. This is a guarantee of payment and performance when due and not of collection, and the liability of each Guarantor is primary and not secondary.

SECTION 2. Security for Secured Obligations. The grant of a security interest in the Collateral by the undersigned under this Guarantee and Collateral Agreement Supplement and the Guarantee and Collateral Agreement secures the payment of all Secured Obligations. Without limiting the generality of the foregoing, each of this Guarantee and Collateral Agreement Supplement and the Guarantee and Collateral Agreement secures the payment of all amounts that constitute part of the Secured Obligations and that would be owed by the undersigned to the Lender or any Secured Party under the Note Documents but for the fact that such Secured Obligations are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving a Grantor.

Exh. C-1

SECTION 3. Supplements to Guarantee and Security Agreement Schedules. The undersigned has attached hereto supplemental Schedule I through Schedule XI to the Guarantee and Collateral Agreement, and the undersigned hereby certifies, as of the date first above written, that such supplemental Schedules have been prepared by the undersigned in substantially the form of the equivalent Schedules to the Guarantee and Collateral Agreement, and such supplemental Schedules include all of the information required to be scheduled to the Guarantee and Collateral Agreement and do not omit to state any information material thereto.

SECTION 4. Representations and Warranties. The undersigned hereby makes each representation and warranty set forth in Section 5 of the Guarantee and Collateral Agreement (as supplemented by the attached supplemental Schedules) to the same extent as each other Grantor.

SECTION 5. Obligations Under the Guarantee and Collateral Agreement. The undersigned hereby agrees, as of the date first above written, to be bound as a Grantor by all of the terms and provisions of the Guarantee and Collateral Agreement to the same extent as each of the other Grantors. The undersigned further agrees, as of the date first above written, that each reference in the Guarantee and Collateral Agreement to an "Additional Grantor" or a "Grantor" shall also mean and be a reference to the undersigned.

SECTION 6. Governing Law. This Guarantee and Collateral Agreement Supplement shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 7. Note Document. In addition to and without limitation of any of the foregoing, this Guarantee and Collateral Agreement Supplement shall be deemed to be a Note Document.

Very truly yours,

[NAME OF ADDITIONAL CREDIT PARTY]

By: _____
Name: _____
Title: _____

Exh. C-2

Acknowledged and Agreed:

MACQUARIE EQUIPMENT CAPITAL, INC.,
as the Lender

By: _____
Name: _____
Title: _____

Exh. C-3

SUPPLEMENTAL SCHEDULES I THROUGH XI

[See attached].

EXHIBIT D

ACKNOWLEDGMENT AND CONSENT

The undersigned hereby acknowledges receipt of a copy of the Guarantee and Collateral Agreement dated as of November 27, 2024 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Agreement"; each capitalized term not defined herein shall have the meaning assigned to it in the Agreement), made by the Grantors party thereto for the benefit of Macquarie Equipment Capital, Inc., as the Lender. The undersigned agrees for the benefit of the Lender and the other Secured Parties as follows:

1. The undersigned will be bound by the terms of the Agreement and will comply with such terms insofar as such terms are applicable to the undersigned as an entity of Pledged Shares.
2. The undersigned will notify the Lender promptly in writing of the occurrence of any of the events described in Section 7(b)(iii) of the Agreement.
2. The terms of Section 7 of the Agreement shall apply to it, *mutatis mutandis*, with respect to all actions that may be required of it pursuant to Section 7 of the Agreement.

[NAME OF ENTITY]

By: _____
Name: _____
Title: _____

Address for Notices:

Fax: _____

PLEDGE AGREEMENT

THIS PLEDGE AGREEMENT (as may be amended, restated, supplemented or otherwise modified from time to time, this *“Pledge Agreement”*), dated as of November 27, 2024, is made by APLD Holdings 2 LLC, a Delaware limited liability company (the *“Pledgor”*), in favor of Macquarie Equipment Capital, Inc. for the benefit of the Secured Parties (the *“Lender”*).

WITNESSETH:

WHEREAS, APLD ELN-02 Holdings LLC, a Delaware limited liability company (the *“Company”*) has executed and delivered to the Lender a promissory note, dated as of the date hereof (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the *“Note”*);

WHEREAS, Company, APLD ELN-02 LLC, a Delaware limited liability company (*“ELN-02 Project Company”*), APLD ELN-02 A LLC, a Delaware limited liability company (*“ELN-02 A”*), APLD ELN-02 B LLC, a Delaware limited liability company (*“ELN-02 B”*), APLD ELN-02 C LLC, a Delaware limited liability company (*“ELN-02 C”*); and together with the Company, ELN-02 Project Company, ELN-02 A, and ELN-02 B, the *“Note Parties”* and each, a *“Note Party”*) and the Lender have entered in that certain Guarantee and Collateral Agreement, dated as of the date hereof (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the *“Guarantee and Collateral Agreement”*);

WHEREAS, pursuant to the Note, the Company has agreed to incur certain obligations, including the promise to pay to the Lender the amounts set forth therein with respect to, amongst other things, a Loan made available or to be made available by Lender to Company;

WHEREAS, as an inducement to the Lender making such Loan available to Company, Pledgor has executed and delivered this Agreement to the Lender for the benefit of the Secured Parties;

WHEREAS, Pledgor and Company are engaged in related businesses, and Pledgor will derive substantial direct and indirect benefit from the making of the Loan described in the preceding WHEREAS clauses; and

WHEREAS, Pledgor has determined that the execution, delivery and performance of this Agreement directly benefit, and are in the best interest of, Pledgor;

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and adequacy of which is hereby agreed and acknowledged, Pledgor and the Lender, for the benefit of the Secured Parties, hereby agree as follows:

**ARTICLE I
DEFINED TERMS**

1.01 Definitions. The following terms shall have the following meanings. Capitalized terms used but not defined herein shall have the meaning set forth in the Note.

“Collateral” means the Pledged LLC Interests and all Proceeds therefrom.

“Limited Parent Guarantee” means that certain Limited Parent Guarantee, dated as of the date hereof, made by Pledgor, as Parent Guarantor, in favor of the Lender.

“Note” has the meaning specified therefor in the Preamble hereto.

“Payment in Full” means (a) the principal of the Loan (including amounts sufficient to achieve the Base Return) and premium (if any) on and interest on the Loan and all fees payable under the Note Documents and all other amounts then due and payable under the Note Documents shall have been paid in full in cash (other than contingent indemnification obligations for which notice of a potential claim has not been given) and (b) all other Secured Obligations (other than contingent indemnification obligations for which notice of a potential claim has not been given) shall have been paid in full in cash.

“Permitted Liens” means each of the Liens described in clauses (i) through (v) of Section 4(j) of the Note.

“Pledged LLC Interests” means all membership interests owned or hereafter acquired by Pledgor in Company, including all membership interests listed on *Schedule 1* and the certificates, if any, representing such membership interests as such interest may be increased or otherwise adjusted from time to time, including (a) all of Pledgor’s right, title, and interest in any and all distributions, issues, profits, and shares (including rights in the nature of warrants, purchase options, or options to acquire any property or further interest in Company) payable or distributable by Company, whether in cash or otherwise, whether for capital or income or surplus or otherwise, including distributions upon liquidation, dissolution, revision, reclassification, split-up, or other change or transaction affecting Company, or as a sale, refinancing, or other capital transaction affecting any assets or property Company; (b) all of Pledgor’s right, title, and interest as a member with respect to Company under its respective Organizational Documents; (c) all of Pledgor’s rights under the Company’s Organizational Documents; (d) all of Pledgor’s right to vote upon, approve, or consent to (or withhold consent or approval to) any matter pursuant to Company’s Organizational Documents, or otherwise to control, manage, or direct the affairs of Company; and (e) all of Pledgor’s right to terminate, amend, supplement, modify or waive performance under, Company’s Organizational Documents, or perform thereunder, and to compel performance and otherwise to exercise all remedies thereunder; and (f) all Proceeds therefrom.

“Proceeds” means all “Proceeds” as such term is defined in Section 9-102(a)(64) of the UCC on the date hereof and, in any event, shall include, without limitation, all dividends or other income from the Pledged LLC Interests, collections thereon, proceeds of sale thereof or distributions with respect thereto.

“Secured Obligations” means the Primary Obligations as defined in the Limited Parent Guarantee.

“Security Interest” means the security interest granted pursuant to *Section 2.01*.

“UCC” means the Uniform Commercial Code as in effect in the State of New York.

1.02 Other Definitional Provisions. Capitalized terms used herein and not otherwise defined herein shall have the meaning assigned thereto in the Note. The words “hereof,” “herein,” “hereto” and “hereunder” and words of similar import when used in this Pledge Agreement shall refer to this Pledge Agreement as a whole and not to any particular provision of this Pledge Agreement, and Section and Schedule references are to this Pledge Agreement unless otherwise specified. The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms. Where the context requires, terms relating to the Collateral or any part thereof, when used in relation to Pledgor, shall refer to Pledgor’s Collateral or the relevant part thereof. Capitalized terms defined in the UCC and not otherwise defined herein shall have the meaning assigned thereto in the UCC.

**ARTICLE II
SECURITY INTEREST**

2.01 Pledge and Grant of Security Interest. Pledgor hereby assigns and transfers to the Lender, and hereby grants to the Lender, for the benefit of the Secured Parties, a security interest in and to all of the Pledged LLC Interests and all other Collateral, as collateral security for the prompt and complete payment and performance when due, whether at the stated maturity, by acceleration or otherwise, of the Secured Obligations (including amounts that would become due but for the operation of the provisions of any debtor relief laws).

2.02 Pledgor Remains Liable. Anything herein to the contrary notwithstanding: (a) Pledgor shall remain liable with respect to and under the Collateral, applicable law and each Organizational Document to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Pledge Agreement had not been executed, (b) the exercise by the Lender of any of its rights hereunder shall not release Pledgor from any of its duties or obligations with respect to or under any Collateral, applicable law, any Organizational Document or under this Pledge Agreement, (c) the Lender shall not have any obligation or liability with respect to or under any Collateral, applicable law or any Organizational Document by reason of this Pledge Agreement (or be subject to any restriction set forth therein with respect to the transfer of the Pledged LLC Interests), (d) nor shall the Lender be obligated to perform any of the obligations or duties of Pledgor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder, and (e) the Lender shall not have any liability in contract or tort for Pledgor's acts or omissions.

**ARTICLE III
REPRESENTATIONS AND WARRANTIES**

Pledgor hereby represents and warrants to the Lender with respect to itself and the Collateral on the date hereof that:

3.01 Organization. Pledgor (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation, (b) is duly qualified and in good standing as a foreign entity in each other jurisdiction in which the conduct of its business requires it to so qualify or be licensed for the Pledgor to grant the Liens on the Collateral intended to be granted hereby or to otherwise perform its obligations hereunder, and (c) has all requisite company power and authority to own or lease and operate its properties and to carry on its business as now conducted and as proposed to be conducted.

3.02 Authorization of Agreement; No Conflict. The execution, delivery and performance of this Pledge Agreement (a) have all been duly authorized by all necessary action; (b) are within the power and authority of Pledgor; (c) do not and will not contravene or violate any law applicable to Pledgor; (d) do not and will not result in the breach of, or constitute a default under, any contractual obligation by which Pledgor or any of its property may be bound, and (e) does not and will not result in the creation of any Lien upon any property of Pledgor, except for the Lien created hereby.

3.03 Permits and Consents. All necessary authorizations, approvals, permits, registrations and consents for the (i) due execution, delivery, and performance of this Pledge Agreement, (ii) the grant by Pledgor of the Security Interest purported to be created hereby in the Collateral, and (iii) the exercise by the Lender of any of its rights and remedies hereunder, have been obtained and are in full force and effect (including, without limitation, the consent of any stockholder, member, or creditor of Pledgor or Company, as applicable).

3.04 Enforceability. This Pledge Agreement is a legal, valid and binding obligation of Pledgor, enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency or similar laws of general application relating to the enforcement of creditor's rights and by general equitable principles.

3.05 Perfection and Priority. The Security Interest shall constitute a valid first priority Lien on the Collateral described herein, subject to no other Liens whatsoever, and can be perfected by the Lender's filing of a financing statement with the Secretary of State of the State of Delaware.

3.06 Pledged LLC Interests. The Pledged LLC Interests listed on Schedule I constitute all of the outstanding equity interests in which Pledgor has any right, title or interest in the Company.

3.07 Ownership. Pledgor is the record and beneficial owner of, and has good and marketable title to, the Pledged LLC Interests listed on Schedule I free of any and all Liens or options in favor of, or claims of, any other person, except Permitted Liens and the Lien created by this Pledge Agreement. None of the Pledged LLC Interests are securities governed by Article 8 of the UCC. None of the Pledged LLC Interests are certificated.

3.08 The Pledgor Information. The Pledgor's exact legal name and address is correctly set forth on Schedule II under the Pledgor's name.

3.09 Organizational Documents. Pledgor has delivered to the Lender true and complete copies of Company's Organizational Documents, which Organizational Documents are currently in full force and effect and have not been amended or modified.

**ARTICLE IV
COVENANTS**

Pledgor covenants and agrees with the Lender, for the benefit of the Secured Parties, that until Payment in Full (other than contingent indemnification obligations as to which no claim has been asserted or is known to exist):

4.01 Performance of Obligations. Pledgor shall perform and discharge, or shall cause to be performed and discharged, each and every material obligation, covenant and agreement to be abided by, performed or discharged by Pledgor under applicable law and the terms of each of the Company's Organizational Documents, at no cost or expense to the Lender.

4.02 Delivery of Collateral. If Pledgor shall, as a result of its ownership of the Collateral, become entitled to receive or shall receive any certificated securities (including, without limitation, any certificate representing a distribution in connection with any reclassification, increase or reduction of capital), option or rights, whether in addition to, in substitution of, as a conversion of, or in exchange for any of the Collateral, or otherwise in respect thereof, Pledgor shall accept the same as the agent of the Lender, hold the same in trust for the Lender and deliver the same forthwith to the Lender in the exact form received, duly endorsed by Pledgor to the Lender, if required, together with an undated membership interest power covering such certificate duly executed in blank by Pledgor and with, if the Lender so requests, signature guaranteed, to be held by the Lender, subject to the terms hereof, as additional collateral security for the Secured Obligations. In addition, any sums paid upon or in respect of the Collateral upon the liquidation or dissolution of Company shall be applied to the payment of the Secured Obligations.

4.03 Certain Actions. Without the prior written consent of the Lender, Pledgor will not (a) vote to enable, or take any other action to permit, Company to issue any membership interests (or otherwise transfer the assets of Company outside the ordinary course of business), or other equity securities of any nature or to issue any other securities convertible into or granting the right to purchase or exchange for any membership interests of any nature of Company, (b) consent to any modification, extension or

alteration of the terms of any of Company's Organizational Documents, (c) accept a surrender of any of Company's Organizational Documents or waive any breach of or default under any of Company's Organizational Document by any other party thereto, (d) sell, assign, transfer, exchange, or otherwise dispose of, or grant any option with respect to, the Collateral, or (e) create, incur or permit to exist any Lien or option in favor of, or any claim of any person with respect to, any of the Collateral or its interests in Company, or any interest therein, except Permitted Liens and the Lien created by this Pledge Agreement; provided, however, the foregoing shall not prohibit Pledgor from voting and exercising rights expressly set forth in Company's Organizational Documents so long as (i) no exercise of such rights would otherwise violate the terms of the Note Documents, and (ii) no Event of Default shall have occurred and be continuing. Pledgor will defend the right, title and interest of the Lender against the claims and demands of all persons whomsoever.

4.04 Maintenance of Security Interest. Pledgor shall maintain the Security Interest created by this Pledge Agreement as a perfected Security Interest having the priority described in **Section 3.05** and shall defend such Security Interest against the claims and demands of all Persons.

4.05 Certain Prohibited Actions. Pledgor will not, except upon prior written notice to the Lender and delivery to the Lender of all additional financing statements (executed if necessary for any particular filing jurisdiction) and other instruments and documents reasonably requested by the Lender to maintain the validity, perfection and priority of the Security Interest: (a) change its name or corporate status; (b) permit any Collateral to be held by any Securities Intermediary (as defined in the UCC), held or maintained in the form of a Securities Entitlement or credited to any Securities Account; or (c) cause the Pledged LLC Interests to be treated as securities governed by Article 8 of the UCC.

4.06 Financing Statements. Pursuant to Section 9-509 of the UCC and any other law, Pledgor authorizes the Lender to file or record financing statements and other filing or recording documents or instruments with respect to the Collateral in such form and in such offices as the Lender reasonably determines appropriate to perfect the Security Interest of the Lender under this Pledge Agreement.

4.07 Further Assurances. At any time and from time to time, upon the written request of the Lender, and at the sole expense of Pledgor, Pledgor will promptly and duly execute and deliver such further instruments and documents and take such further actions as the Lender may reasonably request for the purposes of obtaining or preserving the full benefits of this Pledge Agreement and of the rights and powers herein granted.

ARTICLE V EVENTS OF DEFAULT AND REMEDIES

5.01 Rights of the Lender for the benefit of the Secured Parties

(a) If an Event of Default shall occur and be continuing, the Lender shall have the right to receive any and all cash dividends paid in respect of the company distributions with respect to the Pledged LLC Interests and make application thereof to the Secured Obligations, first to unpaid principal, and then to accrued interest thereon. In furtherance thereof, Pledgor hereby authorizes and instructs Company to (i) comply with any instruction received by it from the Lender in writing that (A) states that an Event of Default has occurred and is continuing and (B) is otherwise in accordance with the terms of this Pledge Agreement, without any other or further instructions from Pledgor, and (ii) upon and during the continuance of an Event of Default, if requested by the Lender, pay any distributions or other payments with respect to any Pledged LLC Interests issued by it directly to the Lender.

(b) The rights of the Lender hereunder shall not be conditioned or contingent upon the pursuit by the Lender of any right or remedy against Pledgor or against any other person which may be or become liable in respect of all or any part of the Secured Obligations or against any collateral security therefor, guarantee thereof or right of offset with respect thereto. The Lender shall not be liable for any failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so, nor shall the Lender be under any obligation to sell or otherwise dispose of any Collateral upon the request of Pledgor or any other person or to take any other action whatsoever with regard to the Collateral or any part thereof.

5.02 Remedies. If an Event of Default shall occur and be continuing, the Lender shall be entitled to (but shall not be required to) exercise all rights and remedies granted in this Pledge Agreement and in any other instrument or agreement securing, evidencing or relating to the Secured Obligations, and in addition thereto, all rights and remedies of a secured party under the UCC or any other applicable law. Without limiting the generality of the foregoing with regard to the scope of the Lender's remedies, the Lender, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by any applicable law referred to below) to or upon Pledgor, or any other person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, assign, give option or options to purchase or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, in office of the Lender or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Lender shall have the right upon any such public sale or sales, and, to the extent permitted by any applicable law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in Pledgor, which right or equity is hereby waived or released. To the extent permitted by any applicable law, Pledgor waives all claims, damages and demands they may acquire against the Lender arising out of the exercise by them of any rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by any applicable law, such notice shall be deemed reasonable and proper if given at least ten (10) days before such sale or other disposition.

Pledgor recognizes that, by reason of certain prohibitions contained in the Securities Act and applicable state securities laws, the Lender may be compelled, with respect to any sale of all or any part of the Pledged LLC Interests conducted without prior registration or qualification of such Pledged LLC Interests under the Securities Act and/or such state securities laws, to limit purchasers to those who will agree, among other things, to acquire the Pledged LLC Interests for their own account, for investment and not with a view to the distribution or resale thereof. Pledgor acknowledges that any such private sale may be at prices and on terms less favorable than those obtainable through a public sale without such restrictions (including a public offering made pursuant to a registration statement under the Securities Act) and, notwithstanding such circumstances, Pledgor agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner and that the Lender shall have no obligation to engage in public sales and no obligation to delay the sale of any Pledged LLC Interests for the period of time necessary to permit any issuer to register it for a form of public sale requiring registration under the Securities Act or under applicable state securities laws, even if such issuer would, or should, agree to so register it. If the Lender determines to exercise its right to sell any or all of the Pledged LLC Interests, upon written request, Pledgor shall and shall cause each issuer from time to time to furnish to the Lender all such information as the Lender may request in order to determine the number and nature of interest, shares or other instruments included in the Pledged LLC Interests which may be sold by the Lender in exempt transactions under the Securities Act and the rules and regulations of the Securities and Exchange Commission thereunder, as the same are from time to time in effect.

5.03 The Lender's Appointment as Attorney-In-Fact.

(a) Pledgor hereby irrevocably constitutes and appoints the Lender and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Pledgor and in the name of Pledgor or in its own name, for the purpose of carrying out the terms of this Pledge Agreement, upon the occurrence and during the continuance of an Event of Default, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Pledge Agreement, and, without limiting the generality of the foregoing, Pledgor hereby gives the Lender the power and right, on behalf of Pledgor, without notice to or assent by Pledgor, to do any or all of the following upon the occurrence and during the continuance of an Event of Default: (i) pay or discharge taxes and liens levied or placed on or threatened against the Collateral, except to the extent that any such taxes or liens are being contested in good faith; (ii) execute, in connection with any sale provided for in this Pledge Agreement, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral; and (iii) (A) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any Collateral; (B) defend

any suit, action or proceeding brought against Pledgor with respect to any Collateral; (C) settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, give such discharges or releases the Lender may deem appropriate; and (D) generally, sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Lender were the absolute owner thereof for all purposes, and do, at the Lender's option, at any time, or from time to time, all acts and things which the Lender deems necessary to protect, preserve or realize upon the Collateral and the Lender's Security Interest therein and to effect the intent of this Pledge Agreement, all as fully and effectively as Pledgor might do.

(b) If Pledgor fails to perform or comply with any of its agreements contained herein, the Lender, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such agreement in accordance with the provisions of **Section 5.03(a)** of this Pledge Agreement.

(c) Pledgor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof in accordance with **Section 5.03(a)** of this Pledge Agreement. All powers, authorizations and agencies contained in this Pledge Agreement are coupled with an interest and are irrevocable until this Pledge Agreement is terminated and the Security Interest created hereby is released.

ARTICLE VI MISCELLANEOUS

6.01 **No Subrogation**. Notwithstanding any payment or payments made by Pledgor hereunder, or the receipt of any amounts by the Lender with respect to any of the Collateral, Pledgor shall not be entitled to be subrogated to any of the rights of the Lender against any guarantor or against any other collateral security held by the Lender for the payment of the Secured Obligations, nor shall Pledgor seek any reimbursement from any guarantor in respect of payments made by Pledgor in connection with the Collateral, or amounts realized by the Lender in connection with the Collateral, until Payment in Full. If any amount shall be paid to Pledgor on account of such subrogation rights at any time before Payment in Full, such amount shall be held by Pledgor in trust for the Lender, segregated from other funds of Pledgor, and shall, forthwith upon receipt by Pledgor, be turned over to the Lender in the exact form received by Pledgor (duly endorsed by the Lender, if required) to be applied against the Secured Obligations, whether matured or unmatured, in such order as the Lender determines.

6.02 **Limitation on Duties Regarding Collateral**. The Lender's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral, if any, in its possession, under Section 9-207 of the UCC or otherwise, shall be to deal with it in the same manner as the Lender deals with similar securities and property for its own account. Neither the Lender nor any of its partners, directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of Pledgor or otherwise.

6.03 **Severability of Provisions**. Whenever possible, each provision of this Pledge Agreement shall be interpreted in such manner as to be effective and valid under applicable law. If any provision of this Pledge Agreement shall be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions of this Pledge Agreement shall not be affected or impaired thereby.

6.04 **Non-Recourse Obligations**. Notwithstanding anything to the contrary contained herein or in the Limited Parent Guarantee, the liability of Pledgor to the Lender hereunder is limited to the extent that such liability is required to permit the Lender to realize upon the Collateral, and the sole recourse of the Lender against Pledgor shall be with respect to the Security Interest granted to the Lender in and with respect to the Collateral, and the Lender shall not have any other right to payment from Pledgor or against any of its other property or assets. In no event shall Pledgor be liable for any deficiency in respect of the Secured Obligations if the value of the Collateral is not sufficient to satisfy the amount of the Secured Obligations in full.

6.05 **Amendments, Waivers and Consents**. No term, covenant, agreement or condition of this Pledge Agreement may be amended or waived, nor may any consent be given, except in writing executed by Pledgor and the Lender.

6.06 **Successor and Assigns**. This Pledge Agreement shall be binding upon the successors and assigns of Pledgor and shall inure to the benefit of Pledgor (and shall bind all persons who become bound as Pledgor under this Pledge Agreement), the Lender, and their successors and assigns; provided that Pledgor may not assign, transfer or delegate any of its rights or obligations under this Pledge Agreement without the prior written consent of the Lender.

6.07 **Governing Law; Choice of Forum; Jury Trial**. This Pledge Agreement shall be governed by, construed in accordance with and otherwise subject to the provisions of Section 8(d) of the Note.

6.08 **Notices**. Whenever this Pledge Agreement requires or permits any notice, approval, request or demand from one party to another, the notice, approval, request or demand shall be delivered in accordance with Section 8(c) of the Note.

6.09 **Acknowledgement by Company**. Pledgor hereby authorizes and instructs Company, and Company hereby agrees to so comply, with any instruction received thereby from the Lender with respect to the Collateral (including without limitation, instruction regarding the account to receive any distributions with respect to the Collateral), without any consent or further instructions from Pledgor (or other registered owner). Company acknowledges receipt of a copy of this Pledge Agreement and agrees to be bound thereby and to comply with the terms thereof insofar as such terms are applicable to it. To the extent the consent of Pledgor or Company, whether in its capacity as a partner, general partner, limited partner, managing member, sole member, shareholder, issuer, or otherwise, is required for the transfer, conveyance, or encumbrance of all or any portion of the Pledged LLC Interests, Company and Pledgor hereby irrevocably (a) consents to the grant of the security interests by Pledgor described in **Section 2.01** of this Pledge Agreement and agrees that all conditions and requirements to such pledge have either been satisfied or waived, and (b) consents to the transfer or conveyance of the Collateral pursuant to the Lender's exercise of its rights and remedies under this Pledge Agreement or any other agreement, at law or in equity, free of any restrictions otherwise set forth in Company's Organizational Documents. Pledgor hereby irrevocably agrees not to vote, amend or consent to amend any Organizational Document to provide that the Pledged LLC Interests are securities governed by Article 8 of the UCC, and hereby agrees and acknowledges that any such vote, amendment or consent shall be invalid and any such amendment shall be void ab initio. Furthermore, Company hereby acknowledges and agrees to be bound by the restrictions applicable to Company set forth herein and in the Note.

6.10 **Counterparts; Integration; Effectiveness**. This Pledge Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same agreement and any of the parties hereto may execute this Pledge Agreement by signing any such counterpart. Delivery of an executed counterpart of a signature page of this Pledge Agreement by telecopy or electronic mail shall be effective as delivery of a manually executed counterpart of this Pledge Agreement. This Pledge Agreement shall remain in effect at all times until and including the date upon which all Secured Obligations shall have been indefeasibly and irrevocably paid and satisfied in full.

6.10 **ENTIRETY. THIS PLEDGE AGREEMENT AND THE OTHER NOTE DOCUMENTS EMBODY THE FINAL, ENTIRE AGREEMENT OF PLEDGOR AND THE LENDER AND SUPERSEDE ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS, AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF AND THEREOF AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF PLEDGOR AND THE LENDER. THERE ARE NO ORAL AGREEMENTS BETWEEN PLEDGOR AND THE LENDER.**

IN WITNESS WHEREOF, the undersigned have caused this Pledge Agreement to be duly executed and delivered as of the date first above written.

PLEDGOR:

APLD HOLDINGS 2 LLC

By: /s/ David Rench
Name: David Rench
Title: Secretary

[Signature Page to Pledge Agreement]

THE LENDER FOR THE BENEFIT OF THE SECURED PARTIES

MACQUARIE EQUIPMENT CAPITAL, INC.

By: /s/ Greg Fitzgerald
Name: Greg Fitzgerald
Title: Authorized Signatory

By: /s/ Robert Downey
Name: Robert Downey
Title: Division Director

[Signature Page to Pledge Agreement]

Acknowledged and agreed:

COMPANY:

APLD ELN-02 HOLDINGS LLC

By: /s/ David Rench
Name: David Rench
Title: Secretary

[Signature Page to Pledge Agreement]

Schedule I

DESCRIPTION OF PLEDGED LLC INTERESTS

<u>Company/Issuer</u>	<u>Jurisdiction of Issuer</u>	<u>Holder of LLC Interests</u>	<u>Percentage of LLC Interests Held by Holder</u>
APLD ELN-02 Holdings LLC	Delaware	APLD Holdings 2 LLC	100%

Schedule II

**DESCRIPTION OF TAXPAYER IDENTIFICATION NUMBER,
REGISTERED ORGANIZATIONAL NUMBER, LOCATION OF BOOKS AND RECORDS**

<u>Name of Pledgor</u>	<u>Taxpayer ID No.</u>	<u>Registered Organizational No.</u>	<u>Location of Books and Records</u>
APLD Holdings 2 LLC	99-3344117	3828643	3811 Turtle Creek Blvd., Suite 2100 Dallas, TX 75219



Applied Digital Closes \$150 million Senior Secured Note With Macquarie Equipment Capital, Inc. to Refinance Existing Credit Facility With Former Senior Lender

- Refinances senior secured credit facility with former senior lender, lowering overall cost of capital for the Company's Ellendale High Performance Computing ("HPC") data center campus and avoiding costly December 7, 2024 increase to the minimum return hurdle.
- Eliminates parent guarantee and cross collateralization of other assets, increasing flexibility for future corporate and project level debt financings.
- Provides further validation of Ellendale HPC project through a senior secured financing partnership with one of the world's largest infrastructure investors.

DALLAS – December 2, 2024 — Applied Digital Corporation (Nasdaq: APLD) ("Applied Digital" or the "Company"), a designer, builder and operator of next-generation digital infrastructure designed for HPC applications, announced today that the Company, through its subsidiary, APLD Holdings 2, LLC, closed a \$150 million senior secured debt financing with Macquarie Equipment Capital, Inc., a division of Macquarie Group's Commodities and Global Markets' business ("Macquarie"). APLD Holdings 2, LLC issued a Promissory Note (the "Note") for the full \$150 million in gross proceeds on November 27th, 2024, and simultaneously repaid its obligations under the Senior Secured Credit Facility with CIM Group, removing encumbrances on assets outside of APLD Holdings 2, as well as the parent guarantee. The remaining net proceeds will be used to repay other outstanding debt and pay transaction expenses.

"We are thrilled to partner with Macquarie, a leader in global infrastructure investment with deep expertise in HPC-related infrastructure," said Wes Cummins, CEO of Applied Digital. "This financing improves our cost of capital for the Ellendale project and provides greater flexibility to support other growing areas of our business. The new structure removes the parent guarantee and liens from non-HPC entities, reflecting the value we've created through our previous financings and project execution. We believe this partnership will not only keep our Ellendale buildout on track but may also open the door to future opportunities with Macquarie as we look to scale our projects and expand into even larger endeavors."

"We are proud to assist Applied Digital in this refinancing and look forward to supporting the continued development of its innovative Ellendale project, as well as future facilities that will be essential to the advancement of AI," said Joshua Stevens, Associate Director, Macquarie Group's Commodities and Global Markets business.

The 18-month Note bears a low interest rate of 0.25% per annum, carries no commitment fee or original issue discount and is subject to an initial minimum return hurdle of 1.11x within the first four months of the Note's term that scales up to 1.35x over its term. In connection with this financing, Macquarie will receive warrants for 1,035,197 shares of Applied Digital Common Stock with a strike price of \$9.66 per share.

Amid the ongoing AI revolution, management believes Applied Digital is uniquely positioned to deliver cutting-edge data center solutions and GPU cloud services. With extensive access to stranded power and advanced infrastructure technologies like closed-loop liquid cooling, Applied Digital is focused on providing a hyper-efficient platform for the world's most demanding HPC and AI workloads. The Company's purpose-built data centers and cost-effective GPU cloud solutions are optimized for AI, machine learning, graphics rendering, and other high-performance computing needs, helping clients thrive in an era of rapid technological progress.

Lowenstein Sandler LLP acted as legal counsel to the Company. Northland Capital Markets acted as sole placement agent to the Company. Citizens JMP Securities, LLC acted as a Financial Advisor to the Company. Latham & Watkins LLP acted as legal counsel to Macquarie.

The securities described above have not been registered under the Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor may there be any sale of any securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.



About Applied Digital

Applied Digital (Nasdaq: APLD) develops, builds and operates next-generation data centers and cloud infrastructure. Different by design, the company's purpose-built facilities are engineered to unleash the power of accelerated compute and deliver secure, scalable and sustainable digital hosting, along with turnkey CSaaS and GPU-as-a-Service solutions. Backed by deep hyperscale expertise and a robust pipeline of available power, Applied Digital accommodates AI Factories and beyond to support the world's most exacting AI/ML, blockchain and high-performance computing (HPC) workloads.

About Macquarie Group

Macquarie Group Limited (Macquarie) is a global financial services group providing clients with asset management, retail and business banking, wealth management, leasing and asset financing, market access, commodity trading, renewables development, specialist advice and access to capital and principal investment. Founded in 1969, Macquarie employs over 20,600 people in 34 markets. Commodities and Global Markets (CGM), an operating group of Macquarie, has more than 40 years of partnering with clients to provide capital and financing, risk management, market access, and physical execution and logistics solutions across commodities, financial markets, and asset finance sectors. For further information, visit www.macquarie.com.

Forward-Looking Statements

This press release contains "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995 regarding, among other things, future operating and financial performance, product development, market position, business strategy and objectives and the closing of the transaction described herein. These statements use words, and variations of words, such as "continue," "build," "future," "increase," "drive," "believe," "look," "ahead," "confident," "deliver," "outlook," "expect," "project" and "predict." Other examples of forward-looking statements may include, but are not limited to, (i) statements of Company plans and objectives, including the Company's evolving business model, or estimates or predictions of actions by suppliers, (ii) statements of future economic performance, (iii) statements of assumptions underlying other statements and statements about the Company or its business and (iv) the Company's ability to effectively apply the net proceeds from the transaction as described above. You are cautioned not to rely on these forward-looking statements. These statements are based on current expectations of future events and thus are inherently subject to uncertainty. If underlying assumptions prove inaccurate or known or unknown risks or uncertainties materialize, actual results could vary materially from the Company's expectations and projections. These risks, uncertainties, and other factors include: decline in demand for our products and services; the volatility of the crypto asset industry; the inability to comply with developments and changes in regulation; cash flow and access to capital; and maintenance of third party relationships. Information in this release is as of the dates and time periods indicated herein, and the Company does not undertake to update any of the information contained in these materials, except as required by law.

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