
**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

July 25, 2022

(Date of earliest event reported)

APPLIED BLOCKCHAIN, INC.

(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,
(Address of principal executive offices)

Dallas, TX

75219
(Zip Code)

214-427-1704
(Registrant's telephone number, including area code)

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 July 25, 2022, APLD Hosting, LLC (the “Borrower”), a wholly-owned subsidiary of Applied Blockchain, Inc. (the “Company”), entered into a Loan Agreement with Starion Bank (“Lender”) and the Company as Guarantor (the “Loan Agreement”). The Loan Agreement provides for a term loan (the “Loan”) in the principal amount of \$15,000,000 with a maturity date of July 25, 2027. The Loan Agreement contains customary covenants, representations and warranties and events of default.

Advances on the Loan shall not exceed the principal total of \$15,000,000.00. The first advance on the Loan was made at the time the Loan was entered into and was not to exceed 80% of the total principal amount of the Loan, or \$12,000,000.00. The remaining 20% balance of this Loan shall be available for advance following Borrower's proof of 100% intended operating capacity of its Jamestown, North Dakota hosting facility (the “Jamestown Facility”).

The Loan Agreement provides for an interest rate of 6.50% per annum. The proceeds of the Loan will be used for (i) repayment of existing indebtedness under the Company’s Loan Agreement dated as of March 11, 2022 by and between the Borrower, Vantage Bank Texas and the Company as guarantor (the “VBT Loan”) and (ii) working capital needs and general corporate purposes.

The City of Jamestown, North Dakota and Stutsman County’s Economic Development Fund provides a multimillion-dollar economic development program, available to assist with expanding or relocating businesses. As part of financial packages, the Jamestown Stutsman Development Corporation (JSDC) makes direct loans, equity investments, and interest buy-downs to businesses. Contingent upon such incentives, the Company expects the effective interest rate of the Loan to be less than 6.50% per annum after different state funds are applied to the Loan, pending final approval.

The Loan is secured by a mortgage on the Jamestown Facility, and a security interest in the substantially all of the assets of the Borrower as set forth in the Security Agreement dated as of July 25, 2022 by and between the Borrower and the Lender (the “Hosting Security Agreement”) and a security interest in the form of a collateral assignment of Company’s rights and interests in a master hosting agreement related to the Jamestown Facility and records and data relating thereto as set forth in the Security Agreement dated as of July 25, 2022 by and among the Borrower, the Company as Grantor and the Lender (the “Company Security Agreement”). In addition, the Company unconditionally guaranteed the Borrower’s obligations to the Lender, including under the Loan, pursuant to an Unlimited Commercial Corporate Guaranty of the Company dated as of July 25, 2022 (the “Guaranty”).

The foregoing descriptions of the Loan Agreement, the Hosting Security Agreement, the Company Security Agreement and the Guaranty are qualified in their entirety by reference to such documents, which are filed as Exhibits 10.1, 10.2, 10.3 and 10.4 to this Form 8-K and are incorporated herein by reference.

A press release announcing the Loan was issued on August 12, 2022 and is filed as Exhibit 99.1 to this Form 8-K.

Item 1.02 Termination of a Material Definitive Agreement.

The information set forth under Item 1.01 above is incorporated herein by reference. On August 5, 2022, the VBT Loan was paid off in full and the VBT Loan and the associated mortgage were terminated.

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 under Item 1.01 above is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
<u>10.1</u>	<u>Loan Agreement, dated as of July 25, 2022, by and among APLD Hosting, LLC, Starion Bank, and Applied Blockchain, Inc. as Guarantor</u>
<u>10.2</u>	<u>Security Agreement, dated as of July 25, 2022, by and between APLD Hosting, LLC and Starion Bank.</u>
<u>10.3</u>	<u>Security Agreement, dated as of July 25, 2022, by and among APLD Hosting, LLC, Applied Blockchain, Inc. as Grantor, and Starion Bank.</u>
<u>10.4</u>	<u>Unlimited Commercial Corporate Guaranty of Applied Blockchain, Inc. dated as of July 25, 2022.</u>
<u>99.2</u>	<u>Press release dated August 12, 2022.</u>
<u>10.4</u>	<u>Cover Page Interactive Data File (embedded within the Inline XBRL document).</u>

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: August 12, 2022

By: _____

Name: David Rench

Title: Chief Financial Officer

LOAN AGREEMENT

APLD HOSTING, LLC

LOAN A: \$15,000,000.00 REAL ESTATE TERM LOAN

PART 1. PARTIES, DATE, TERM AND PURPOSE

1.1 **Parties.** The Parties to this Agreement are as follows:

APLD Hosting, LLC, a Nevada limited liability company, registered in North Dakota as a foreign limited liability company, 3811 Turtle Creek Blvd., Ste. 2125, Dallas, TX 75219 (hereinafter referred to as "**Borrower**");

Applied Blockchain, Inc., a Nevada corporation, 3811 Turtle Creek Blvd., Ste. 2125, Dallas, TX 75219 (hereinafter referred to as "**Guarantor**" and "**Grantor**");

Starion Bank, 2754 Brandt Dr. S., Fargo, ND 58104-8806 (hereinafter referred to as "**Bank**").

1.2 **Date of this Agreement.** The effective date of this Agreement is the 25th day of July, 2022.

1.3 **Term of this Agreement.** The term of this Agreement shall be from the date of this Agreement set forth above and continue thereafter until all indebtedness incurred hereunder and under the other documents entered into in connection herewith (collectively, the "**Loan Documents**") has been repaid in full.

1.4 **Purpose of this Agreement.** Borrower has requested from Bank the following credit accommodation to which the Bank has agreed:

- a. **Real Estate Term Loan** in the principal amount of **Fifteen Million and no/100 Dollars (\$15,000,000.00)** (hereinafter referred to as "**Loan A**") to be used for permanent financing on the Phase 1 Data Center in Jamestown, North Dakota (hereinafter referred to as "**Project**").

Loan A will be secured by the Borrower's and Grantor's Assets (as defined below). The Parties desire here to transcribe their understanding for posterity.

**PART 2A: LOAN A REAL ESTATE TERM LOAN
TERMS AND REPAYMENT**

- 2A.1 Real Estate Term Loan Evidenced By Promissory Note.** Bank herein loans to Borrower a real estate term loan (“**Loan A**”) in the principal amount of \$15,000,000.00. Loan A will be represented by a promissory note, and any amendments or addendums thereto (hereinafter referred to as the “**Loan A Note**”). The Loan A Note shall be used for permanent financing on the Phase 1 Data Center in Jamestown, North Dakota.
- 2A.2 Interest Rate On Loan A Note Fixed.** The Loan A Note will bear fixed interest at the rate of 6.500 percent per annum. Interest shall be computed on the basis of 365/360 daily accrual.
- 2A.3 Repayment Of Loan A Note.** The Loan A Note shall require repayment in monthly installments of principal and interest based on a five (5) year amortization from the date of the Loan A Note. Monthly principal and interest payments shall begin on August 25th, 2022, and continue on that same day each month until July 25th, 2027, when the remaining balance of all principal and interest shall be due in full. Payments will be credited first to actual interest accrued on actual outstanding principal, then to principal outstanding.
- 2A.4 Limitation on Availability of Loan Proceeds.** . Advances on the Loan A Note shall be limited as described below and shall not exceed the principal total of \$15,000,000.00. The first advance on the Loan A Note shall be at the time of execution of the Loan A Note and shall not exceed 80% of the total of the Loan A Note or \$12,000,000.00. The remaining 20% balance of the Loan A Note shall be available for advance following Borrower’s proof of 100% intended operating capacity. Required proof of 100% capacity shall include but not be limited to documentary evidence that the Project, a.k.a. Colocation Site, is running at optimum capacity allocation. Such documents shall include a recent utility power bill showing peak power consumption more than 93 Mega Watts and supporting customer invoices.
- 2A.5 Prepayment Premium.** If prepayment in whole or in part occurs as a result of refinancing by another bank or other lender, the Loan A Note is subject to a prepayment premium of 3% of any amount prepaid beyond scheduled amortization of principal and interest for the first 24 months from the date of the Loan A Note; 2% of the amount prepaid after 24 months through 48 months; and 1% of the amount prepaid after 48 months through 60 months. Any prepayment premium must be paid in cash at the time any prepayment occurs. *If the Loan A Note is prepaid in whole or in part at any time with Borrower’s or Guarantor’s own resources (not funded by another bank or lender), no prepayment premium will be assessed.*

**PART 3. POTENTIAL ADDITIONAL BORROWING,
LOAN FEES AND CHARGES**



- 3.1 **Potential additional borrowing.** The Parties to this Agreement contemplate that Bank may in its sole and absolute discretion, advance additional credit in excess of the initial aggregate principal amount of the Loan A to Borrower from time to time during the term of this Agreement. Bank herein makes no commitment to advance such additional credit. To the extent such additional credit is agreed to, advances will be represented by uniquely numbered promissory notes. Said notes will detail the specific repayment terms and interest rates agreed to. Said notes shall only be secured by the real property and the Assets (defined hereinafter), unless otherwise agreed upon by the Parties hereto.
- 3.2 **Attorney fees, out-of-pocket costs, and documentation fees.** Borrower shall, at the time of the execution of this Agreement, pay all reasonable and documented out-of-pocket expenses incurred by Bank in connection with this Agreement and the Loan A contemplated herein, including but not limited to documentation fees, title insurance fees, disbursement fees, construction inspection fees, filing fees, recording fees, lien search fees, and fees and expenses of Bank's counsel. Borrower shall also pay to Bank at the time of execution of this Agreement an origination fee for the Loan A in the amount of \$65,000.00.

PART 4. LOAN SECURITY AND GUARANTY

- 4.1 **Security.** The Loan A made to the Borrower by the Bank pursuant to this Agreement and the other Loan Documents shall be secured by a first priority security interest in Borrower's and Grantor's Assets listed in Exhibit A (the "Assets"), as well as all products, proceeds and replacements of the Assets, and first priority mortgage interest in the Borrower's real property, including an assignment of rents and leases.
- 4.2 **Documentation and actions required to maintain valid first-priority lien.** Borrower covenants that it will execute such mortgages, security agreements, control agreements, collateral assignments of all of Borrower's contracts with [REDACTED], a Minnesota corporation, duly executed by the Borrower and [REDACTED], collateral assignments of all Master Services Agreements (also known as Master Hosting Agreements) and Service Order Forms, and other documents and take such acts as Bank may reasonably request in order to fully give effect to this Agreement and other Loan Documents and to ensure that Bank creates and maintains a valid and perfected first security interest and first priority lien on the Assets.
- 4.3 **Documentation and actions required to maintain valid first-priority lien.** Grantor covenants that it will execute all documents and take such acts as Bank may reasonably request in order to fully give effect to this Agreement and other Loan Documents and to ensure that Bank creates and maintains a valid and perfected first security interest and first priority lien on the Assets.
- 4.4 **Hazard insurance proceeds.** Borrower shall maintain hazard insurance acceptable to the Bank on all tangible Assets in an amount sufficient at all times to either cover outstanding

indebtedness owed to the Bank, or the value of the collateral, whichever is less, and the Borrower assigns proceeds of any and all hazard insurance on the foregoing secured collateral to Bank, and shall name the Bank as loss payee on any such policies.

- 4.5 **Guarantee.** Guarantor herein covenants that it guaranties payment of all loan accommodations referred to in this Agreement and repayment of all advances made thereunder, together with interest and costs of collection, if any. Said guaranty is of payment and is a continuing, absolute and unconditional guaranty, unless limited by the terms and conditions of Guarantor's guaranty.

PART 5. DOCUMENTS FURNISHED PERIODICALLY BY BORROWER AND INSPECTIONS ALLOWED BY BORROWER

- 5.1 **Documents to be furnished periodically.** Borrower will furnish to Bank the following documents at the times indicated throughout the term of this Agreement:

- a. **Annual accountant audited year-end financial statements of Borrower**, to be received by Bank within 90 days after each fiscal year end.
- b. **Quarterly company prepared financial statements of Borrower**, to be received by Bank within 45 days of each quarter end.
- c. **Annual rent roll of Borrower**, to be received by Bank within 90 days after each fiscal year end.
- d. **Annual accountant audited year-end financial statements of Guarantor**, to be received by Bank within 90 days after each fiscal year end.
- e. **Quarterly company prepared financial statements of Guarantor**, to be received by Bank within 45 days of each quarter end.
- f. **Evidence of flood insurance** may be required if the subject property is in a flood zone as evidenced by a Flood Zone Determination, prior to any disbursement.

- 5.2 **Independent assessment of Assets, if Bank elects.** Borrower will permit an assessment of the Assets and valuation thereof by Bank at any reasonable time (but no more than twice per fiscal year as long as the Borrower is not in default) with reasonable advance notice and will permit Bank or its authorized agents' access to Borrower's business premises and property for purposes of making such assessment and valuation during regular business hours.

- 5.3 **Business taxes and liability insurance.** Borrower covenants to pay all taxes associated with its business, including but not limited to real estate taxes, income taxes, sales taxes, employee taxes, and all other business related taxes, whether federal, state, county, municipal, or imposed by any other governmental unit. Borrower further covenants to maintain liability insurance in coverages and with such endorsements as are satisfactory to Bank, and to pay all workman's compensation and unemployment premiums or charges, when due, to maintain all insurance policies and employment-related coverage's in full force and effect throughout the term of this Agreement.
- 5.4 **Borrower record keeping and Bank inspection of Assets and records.** Borrower will keep true and accurate books and records of its business operations, accounts, and rent notes, and Borrower will permit Bank at any reasonable time (but no more than once per fiscal quarter as long as the Borrower is not in default) with reasonable advance notice and during regular business hours to inspect the Assets, and to examine Borrower's books, records, and files, and make copies thereof, and to discuss the affairs of Borrower with its officers and employees.

PART 6. FINANCIAL COVENANTS AND LIMITATION ON CERTAIN ACTIVITIES OF BORROWER

- 6.1 **Financial covenant.** At all times during which there is any outstanding indebtedness owed by Borrower to Bank under this Agreement, Borrower covenants to maintain the following covenants:
- a. **Minimum Debt Service Coverage Ratio of not less than 1.25:1.00 of Borrower Prior to Distribution,** measured annually as of the end of each fiscal year for the fiscal year then ended beginning May 31, 2024. For the purposes hereof "Debt Service Coverage pre-distributions" means calculated under GAAP as: net income plus depreciation plus amortization plus interest expense divided by interest expense and scheduled principal payments during the period measured.
- 6.2 **Indebtedness, liens, and disposition of Assets.** In regards to the property described in 4.1 above, Borrower shall not, without the prior written consent of Bank, do any of the following: except for trade debt incurred in the normal course of business and indebtedness to Bank contemplated by this Agreement; incur indebtedness for borrowed money; sell, transfer, assign, pledge, lease, grant a security interest in, or otherwise encumber all or substantially all of Borrower's Assets, except to Bank, excluding inventory sold in the ordinary course of Borrower's business; or sell with recourse any of Borrower's accounts, except to Bank.
- 6.3 **Change of business form or identity.** Borrower will not, without giving fourteen (14) days prior written notice to Bank, change its business form, business name or trade name, change location, or acquire or merge or consolidate with any other entity.

PART 7. DEFAULT

7.1 **Default defined.** The occurrence of any one or more of the following events shall constitute an “Event of Default”:

- a. Failure to pay when due any amount required of Borrower under this Agreement or under any other Loan Documents.
- b. Failure to perform or observe any other term, covenant or provision of this Agreement or any other Loan Documents.
- c. Any warranty, representation, or statement made or furnished to Bank by or on behalf of Borrower or Guarantor is false or misleading in any material respect, when made.
- d. The dissolution or termination of the Borrower’s or Guarantor’s legal existence, the appointment of a receiver for any substantial part of the Borrower’s or Guarantor’s property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower or Guarantor.
- e. The failure to discharge material taxes or other liens, other mortgages or charges levied or assessed against the Assets (other than the liens created under this Agreement).
- f. The Borrower or Guarantor fails to comply with any and all State and Federal laws and regulations associated with or governing Borrower’s or Guarantor’s business operations whether such laws and regulations exist now or at any time during the term of this Agreement and said failure materially effects Borrower’s or Guarantor’s ability to operate.
- g. The Borrower or Guarantor fails to pay when due any principal of or interest on or any other amount payable in respect of, or breaches or defaults under any other term of, any mortgage, indenture, agreement or other instrument under which there may be any outstanding indebtedness for borrowed money in an aggregate principal amount of in excess of \$1.00, in each case, beyond the grace period, if any, if the effect of such non-payment, breach or default is to cause such Indebtedness to become or be declared due and payable (or subject to a compulsory repurchase or redemption) prior to its stated maturity.
- h. A material default by Borrower of its obligations beyond any applicable grace or cure period under the Electric Service Agreement with [REDACTED] regardless as to whether [REDACTED] declares such default.

- i. A material default by Borrower of its obligations beyond any applicable grace or cure period under any Master Services Agreement (a/k/a Master Hosting Agreement) and any Service Order Form regardless as to whether the Customer of said Master Services Agreement (a/k/a Master Hosting Agreement) or any Service Order Form declares such default.
- j. A material default by Grantor of its obligations beyond any applicable grace or cure period under any Master Services Agreement (a/k/a Master Hosting Agreement) and any Service Order Form regardless as to whether the Customer of said Master Services Agreement (a/k/a Master Hosting Agreement) or any Service Order Form declares such default.

7.2 **Remedies.** If an Event of Default occurs and is continuing, upon written notice thereof to the Borrower and a ten (10) day opportunity to cure such Event of Default, unless a delay would cause irreparable harm to the Bank, Bank may exercise any one or more of the following rights and remedies:

- a. Declare the entire balance of any or all advances under this Agreement as immediately due and payable.
- b. Take possession of the Assets by self help or judicial action, including collection of rents, foreclosure, and dispose of the Assets pursuant to the Uniform Commercial Code and/or other applicable laws of the State or Federal Government.
- c. Commence and prosecute an action to collect the debt from Borrower.
- d. Refuse to make any further advances under this Agreement or under any instrument or document executed in connection with this Agreement.
- e. Setoff any amounts owed under this Agreement against any depository account maintained by Borrower with Bank.
- f. Exercise such additional or alternative remedies as are available to Bank under the terms of this Agreement, under any instrument or document executed in connection with this Agreement, or under applicable law.

PART 8. MISCELLANEOUS PROVISIONS



- 8.1 **Entity status and authority of Borrower.** Borrower herein covenants that it is a limited liability company duly organized and existing and in good standing under the laws of the State of Nevada and registered with the State of North Dakota as a foreign limited liability company and has the appropriate power and authority to own its property and carry on its business as it is being conducted at the time of this Agreement; Borrower has full power, authority, and proper authorization to enter into this Agreement and the other Loan Documents.
- 8.2 **Entity status and authority of Guarantor.** Guarantor herein covenants that it is a corporation duly organized and existing and in good standing under the laws of the State of Nevada and has the appropriate power and authority to own its property and carry on its business as it is being conducted at the time of this Agreement; Guarantor has full power, authority, and proper authorization to enter into this Agreement and the other Loan Documents.
- 8.3 **No waiver.** No delay or failure by Bank in the exercise of any right or remedy under this Agreement or under law shall constitute a waiver thereof, and no single or partial exercise by Bank of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy.
- 8.4 **Agreements upheld despite invalidity of any clause.** If a court of competent jurisdiction determines in a final non-appealable judgment any clause or provision of this Agreement to be invalid or void for any reason, such findings will not affect the validity and enforceability of the balance of this Agreement.
- 8.5 **Consent to loan participation.** Borrower and Guarantor agree and consent to Bank's sale or transfer, whether now or later, of one or more participation interests in the Loan A to one or more purchasers, whether related or unrelated to Bank. Bank may provide to any one or more purchasers or potential purchasers, any information or knowledge Bank may have about Borrower or Guarantor or about any other matter relating to the Loan A as reasonably required by such purchasers or potential purchasers; provided that the Bank shall have entered into a customary non-disclosure agreement with such purchasers or potential purchasers with respect to any non-public information regarding the Borrower and Guarantor prior to the disclosure of any such information; provided, further, that (i) the Bank's obligations under this Agreement shall remain unchanged, (ii) the Bank shall remain solely responsible to the other Parties hereto for the performance of its obligations and (iii) the Borrower and Guarantor shall continue to deal solely and directly with the Bank in connection with Bank's rights and obligations under this Agreement.
- 8.6 **Collection costs and expenses.** Borrower and Guarantor agree to pay upon demand all of Bank's court costs and disbursements, including attorney's fees unless prohibited by law, and other expenses allowed by law or the court, incurred in connection with this Agreement and the enforcement thereof or in connection with the Loan A or the collection thereof.

- 8.7 **Modifications in writing only.** Any modification of this Agreement must be in writing and signed by all Parties hereto.
- 8.8 **Applicable law.** The Loan Documents shall be governed by and construed in accordance with the laws of the State of North Dakota.
- 8.9 **Choice of Venue.** If there is a lawsuit, Borrower and Guarantor agree upon Bank's request to submit to the jurisdiction of the courts of Stutsman County, State of North Dakota or at the Bank's discretion the United States District Court for the District of North Dakota.
- 8.10 **Notice of litigation.** Borrower and Guarantor shall promptly inform Bank in writing of all material adverse changes in the Borrower's or Guarantor's financial condition, and all litigation and claims pending or (to the Borrower's or Guarantor's knowledge) threatened in writing that would reasonably be expected to have a material adverse effect on the financial condition of the Borrower or Guarantor.
- 8.11 **Notices.** All notices required to be given under this Agreement shall be given in writing and shall be effective when actually delivered or when deposited in the United States mail, first class, postage prepaid, addressed to the party to whom the notice is to be given at the address on the cover page of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other Parties, specifying the purpose of the notice is to change the party's address.
- 8.12 **Document Imaging And Electronic Transactions.** Borrower and Guarantor hereby acknowledge the receipt of a copy of this Agreement and all other Loan Documents. Bank may, on behalf of Borrower and Guarantor, create a microfilm or optical disk or other electronic image of this Agreement and any or all of the Loan Documents. Bank may store the electronic image of this Agreement and Loan Documents in its electronic form and then destroy the paper original as part of Bank's normal business practices, with the electronic image deemed to be an original.

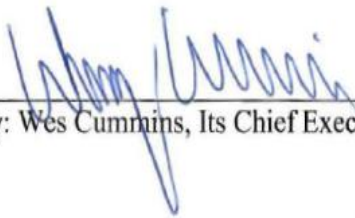
IN WITNESS WHEREOF, the Parties have set their hands the day and year first above written.

[COUNTERPART SIGNATURES BEGIN ON NEXT PAGE]

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**LOAN AGREEMENT
COUNTERPART SIGNATURE PAGE OF
BORROWER'S CHIEF EXECUTIVE OFFICER**

BORROWER: APLD HOSTING, LLC



By: Wes Cummins, Its Chief Executive Officer



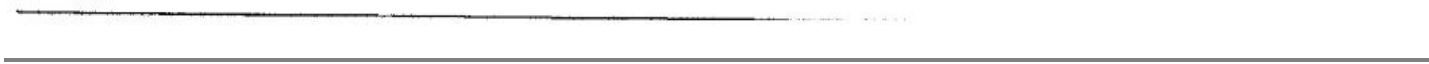
**LOAN AGREEMENT
COUNTERPART SIGNATURE PAGE OF BORROWER**

BORROWER: APLD HOSTING, LLC



By: _____, Its _____

David Rensch, CFO



**LOAN AGREEMENT
COUNTERPART SIGNATURE PAGE OF GUARANTOR/GRANTOR**

GUARANTOR/GRANTOR: APPLIED BLOCKCHAIN, INC.



By: _____, Its CEO

David Rensch

**LOAN AGREEMENT
COUNTERPART SIGNATURE PAGE OF
GUARANTOR/GRANTOR'S CHIEF EXECUTIVE OFFICER**

GUARANTOR/GRANTOR: APPLIED BLOCKCHAIN, INC.




By: Wes Cummins, Its Chief Executive Officer



LOAN AGREEMENT
COUNTERPART SIGNATURE PAGE OF BANK

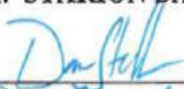
BANK: STARION BANK


By: Dan Strawa Its: Market President

14

**LOAN AGREEMENT
COUNTERPART SIGNATURE PAGE OF BANK**

BANK: STARION BANK

By: 
By: Dan Stasz Its: Market President

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SECURITY AGREEMENT

1. **Parties to this Security Agreement** ("Agreement") are as follows:

APLD Hosting, LLC, a Nevada limited liability company, registered in North Dakota as a foreign limited liability company, 3811 Turtle Creek Blvd., Ste. 2125, Dallas, TX 75219 (hereinafter referred to as "**Borrower**");

Starion Bank, 2754 Brandt Dr. S., Fargo, ND 58104-8806 (hereinafter referred to as "**Lender**").

2. **Effective date of this Agreement** is July 25th, 2022.

3. **Term of this Security Agreement.** The term of this Agreement shall be from the date of this Agreement set forth above and continue thereafter until all Debt has been paid in full and Lender no longer has any outstanding commitment to lend to Borrower, or the Agreement is otherwise terminated in writing by the parties.

4. **Purpose of this Agreement** is to transcribe for posterity the fact that the Borrower has granted to the Lender a security interest in Borrower's personal property, described below as "Collateral", to secure the indebtedness owed to the Lender by the Borrower, described below as "Debt".

5. **Debt secured by this Agreement** means all indebtedness of the Borrower to the Lender evidenced by any promissory note or other debt instrument executed in connection with this Agreement, principal and interest inclusive, together with all other indebtedness, costs and expenses for which Borrower is responsible under this Agreement or any of the loan instruments and documents related to this Agreement. This Agreement is executed in connection with the Loan A: \$15,000,000.00 Real Estate Term Loan Agreement between the Borrower and the Lender, executed the same date as this Agreement and referred to throughout this Agreement as the "Loan Agreement". When one or more Security Agreements exist between the parties to this Agreement, the Security Agreements are intended to be cumulative and not superseding.

6. **Collateral granted as security under this Agreement.** To secure the payment of the Debt, the Borrower hereby grants, conveys, pledges, and grants a security interest in and to, to the Lender all of the Borrower's rights, title, and interest in the following described property, whether now existing or hereafter acquired ("Collateral"), categorically identified below using terms defined by the Uniform Commercial Code:

- a. **All equipment of Borrower**, including but not limited to all attachments, accessions, tools, parts, supplies, increases and additions to all replacement of and substitutions for any of the equipment.



- b. **All Software** owned or leased by Borrower embedded in the equipment described above.
- c. **All inventory**, as that term is defined in the Uniform Commercial Code, which is held for ultimate sale or lease to the public or to customers, or which has been or will be supplied under contracts of service, or which are raw materials, work in process, or materials used or consumed in the business of the Borrower.
- d. **All accounts, instruments, documents, chattel paper and other rights to payment**, as those terms are defined in the Uniform Commercial Code, including but not limited to payment for goods sold or leased, or for services rendered, whether or not payment has been earned by performance, and all rights to payment arising out of all present and future debt instruments, chattel paper and loans and obligations receivable. The foregoing include any rights and interests, including all liens and security interests, which the Borrower may have by law or agreement against any account debtor or obligor of Borrower.
- e. **All general intangibles**, as that term is defined in the Uniform Commercial code, including but not limited to tax refunds, applications for patents, patents, copyrights, trademarks, trade secrets, good will, trade names, customer lists, permits and franchises, and the right to use the Borrower's name or names of products or services identified with the Borrower.
- f. **All investment property**, as that term is defined in the Uniform Commercial Code, including all securities, whether certificated or uncertificated, all security entitlements, all securities accounts, all commodity contracts, all commodity accounts, and Borrower covenants to execute the appropriate control agreements for perfection of the Lender's security interest in such investment property, if required or permitted by law or by the regulation or policy of the issuer, broker, or custodian of the investment property.
- g. **Deposit accounts**. As security for the Debt, Borrower grants to Lender a first priority security interest in all of Borrower's deposit accounts.
- h. **All fixtures** owned by Borrower located in Jamestown, North Dakota.
- i. **Collateral Assignment of Borrower's rights and interests** in the Electric Service Agreement with [REDACTED] with consent to assignment from [REDACTED]
- j. **Collateral Assignment** of Borrower's rights and interests in Master Services Agreement (a/k/a Master Hosting Agreement) and any Service Order Form related to the Colocation Facility in Jamestown, North Dakota.
- k. **Hazard insurance proceeds**. As security for the Debt, Borrower grants to Lender a first priority assignment of proceeds of any and all hazard insurance on the



building, the land and the rest of the Collateral, The Borrower shall maintain hazard insurance on all insurable Collateral in policy coverage amounts sufficient at all times to cover outstanding indebtedness owed by the Borrower to any and all lenders, and shall name the Lender as Lender Loss Payee and Mortgagee on any such policies.

- l. All of the above** whether now or hereafter acquired.
- m. All records and data relating to any of the property described above as Collateral**, however and wherever such records and data are kept and maintained.
- n. After-acquired property, proceeds and products.** All of the foregoing is granted to Lender as Collateral for the Debt whether it is now owned or hereafter acquired and the Collateral includes any and all proceeds (including but not limited to insurance proceeds), and products of the foregoing.

7. **Right of setoff** is also granted by Borrower to Lender in addition to the foregoing grant of the security interest in the identified Collateral. This right of setoff is a contractual possessory security interest in all of Borrower's right, title and interest in and to any of Borrower's funds or monies in the custody of the Lender.

8. **Borrower's affirmative obligations under this Agreement** include the following:

- a. Maintain validity and perfection of the security interest hereby granted** by executing such instruments and taking such actions as the Lender may from time to time request of the Borrower, with the intent and purpose that at all times the Borrower will assure and assist the Lender in creating and maintaining a valid, enforceable and perfected security interest in the Collateral.
- b. No violation of law or contract** has occurred by the Borrower executing this Agreement, and Borrower has full right and authority to do so.
- c. Collateral is enforceable** to the extent the Collateral consists of accounts, contract rights, chattel paper, or general intangibles, and all such Collateral is enforceable in accordance with its terms, is genuine, and complies with applicable law, and all persons appearing to be obligated to the Borrower on the Collateral are in fact obligated as they appear to be.
- d. Location of the Collateral** shall be at the business premises of the Borrower, unless otherwise agreed in writing between the Borrower and the Lender.
- e. Borrower shall not sell or otherwise dispose of all or substantially all of the Collateral** without the prior written permission of the Lender, excluding inventory sold in the ordinary course of Borrower's business.



- f. **Good title to the Collateral** is herein represented and warranted by the Borrower to be in the Borrower and in its name, free and clear of all liens and encumbrances except for the lien of this Agreement, and subject only to such exceptions as have been agreed to in a separate writing by the Borrower and the Lender.
- g. **Collateral shall be accounted for in writing**, insofar as the Collateral consists of inventory and accounts receivable, and Borrower shall furnish to the Lender such lists, descriptions, designations and agings of such Collateral as Lender may from time to time reasonably require.
- h. **Borrower will maintain Collateral** in good condition and repair (fair wear and tear excepted).
- i. **Lender may inspect Collateral** at the Borrower's business premises, or wherever it may be located, upon reasonable notice and at any reasonable time.
- j. **All taxes, assessments and liens will be paid by Borrower** should any of the foregoing be assessed against the Collateral, and Borrower covenants to pay all of the foregoing timely as such items come due.
- k. **Borrower will comply with all State and Federal laws and regulations** and laws regarding the disposition and use of the Collateral.
- l. **Borrower will comply with all environmental laws**, and Borrower represents and warrants that the Collateral has not been and never will be during the term of this Agreement used for the generation, manufacture, storage, transportation, treatment, disposal, release or threatened release of any hazardous waste or substance, as those terms are defined by federal and state environmental laws. Borrower hereby releases and waives any claims against the Lender for indemnity or contribution in the event Borrower becomes liable for cleanup or other costs under any such environmental laws, and agrees to indemnify and hold harmless the Lender against any and all such claims or losses resulting from a breach of this provision.
- m. **Borrower shall insure the Collateral** against all such risks and hazards as are reasonably required by the Lender, with the insurance coverage to be in a minimum amount of no less than the balance of the Debt secured by this Agreement owed to the Lender by Borrower and Borrower shall cause the Lender to be named as a loss payee and additional insured on any and all such policies of insurance, and shall provide the Lender with certificates from the insurance carriers evidencing the foregoing. In the event of damage or destruction of the Collateral, insurance proceeds shall be applied first as a credit to the Debt secured by this Agreement, with any surplus remitted to the Borrower, unless a different arrangement is agreed to in writing between the Lender and Borrower.

9. **Attorney-in-Fact.** For so long as this Agreement is in effect, the Borrower hereby irrevocably appoints Lender the Borrower's attorney-in-fact, with full authority in the place and



stead of the Borrower and in the name of the Borrower or otherwise, from and after the occurrence of an Event of Default, to take any action and to execute any instrument provided for pursuant to this Agreement, including, without limitation: (a) To ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in connection with any of the Collateral; (b) To file any claims or take any action or institute any proceedings which Lender may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of Borrower with respect to any of the Collateral; (c) To execute and deliver lien releases, certificates, and other documents to obtain payment for work or materials or other Collateral; and (d) To perform and take any action authorized under any this Agreement or any other agreement between Borrower and Lender, holding Borrower liable or responsible for the costs thereof.

Borrower hereby ratifies all acts Lender takes as attorney-in-fact that are lawfully done by virtue of this Agreement. This power of attorney is coupled with an interest and shall be irrevocable. The grant of this power of attorney to take actions from and after an Event of Default shall not be construed to limit the powers of Lender to take actions otherwise permitted by this Agreement, any other agreement between the parties hereto, the Uniform Commercial Code or other law to take actions prior to the occurrence of an Event of Default.

10. Lender's Performance of Borrower's Obligations. If Borrower fails to perform any agreement contained herein or in any other agreement with Lender, Lender may itself perform, or cause performance of, such agreement, and the expenses of Lender incurred in connection with the performance shall be at the sole option of the Lender be immediately reimbursable by the Borrower to the Lender, or added to the balance of the Debt secured by this Agreement, with interest thereon to accrue at the highest rate being charged by the Lender on any debt instruments or promissory notes secured by this Agreement. The powers and rights conferred upon the Lender are solely to protect Lender's interest in the Collateral and shall not impose any duty upon Lender to exercise any such rights or powers. Without limiting the generality of the foregoing, Lender shall be under no obligation to take any steps necessary to preserve rights in the Collateral against any other parties, including Borrower, but may do so at its option. Lender shall not be liable for any acts, omissions, errors of judgment or mistakes of fact or law including without limitation with respect to the Collateral except for: (a) Gross negligence or willful misconduct; or (b) Failure to use reasonable care with respect to the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder. Lender will be deemed to use reasonable care if it uses the same standards and care as Lender takes with its own property or the collection of its own loans.

11. Default under this Agreement shall consist of any one or more of the following:

- a. **Failure to pay when due** any part of the Debt secured by this Agreement.
- b. **Failure of Borrower to comply with this Agreement** or the Borrower to comply with or perform any other term, obligation, covenant or condition contained in any loan instruments or documents related to this Agreement or in any other agreement between the Lender and the Borrower entered into by the parties on the same date



as this Agreement, and any amendments, modifications or replacements to such loan instruments, documents and agreements.

- c. **False statements** made by the Borrower to the Lender, which are false or misleading in any material respect, when made.
- d. **Defective collateralization**, from whatever cause, resulting in non-enforceability, invalidity, or lack of perfection of all or any part of the security interest of the Lender in the Collateral.
- e. **Insolvency** of the Borrower, the appointment of a receiver for the Borrower or any of its property, any assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against the Borrower.
- f. **The Borrower fails to comply with any and all State and Federal laws and regulations** associated with or governing Borrower's business operations whether such laws and regulations exist now or at any time during the term of this Agreement and said failure materially effects Borrower's ability to operate.

12. **Remedies.** If an Event of Default occurs and is continuing, upon written notice thereof to the Borrower and a ten (10) day opportunity to cure such Event of Default, unless a delay would cause irreparable harm to the Lender, Lender may exercise any one or more of the following rights and remedies:

- a. **Accelerate Debt secured by this Agreement** and declare all of same immediately due and payable, principal and interest inclusive.
- b. **Require Borrower to assemble Collateral** at a convenient place designated by the Lender and assist the Lender in taking possession of the Collateral for disposition of same under the Uniform Commercial Code.
- c. **Repossess the Collateral** wherever it may be found, either by self-help or by judicial action.
- d. **Sell or otherwise dispose of the Collateral** in the manner permitted by the Uniform Commercial Code, with the reasonable expenses of retaking, preparing for sale, and selling or otherwise disposing of the Collateral to be reimbursed to the Lender from the first proceeds of sale or other disposition, and the remainder to be applied as a credit to the Debt secured by this Agreement.
- e. **Collect accounts, chattel paper, instruments and general intangibles directly**, to the extent the Collateral consists of accounts, chattel paper, instruments and general intangibles, and the Lender may notify all such account debtors and obligors on the accounts, chattel paper, instruments and general intangibles,



directing them to make payment directly to the Lender on the account of the Borrower.

- f. **Obtain deficiency** by way of judgment or otherwise against the Borrower, for any and all amounts remaining unpaid on the Debt secured by this Agreement after sale or other disposition of the Collateral and after application of the proceeds as a credit to the Debt secured by this Agreement.
- g. **Other rights and remedies allowed by law**, whether state or federal, and whether under the Uniform Commercial Code or other applicable laws and regulations.
- h. **Other rights and remedies allowed by contract**, whether contained in this Agreement, or in any promissory note or other loan instrument or document executed in connection with this Agreement, or as specified in any other agreement between the Borrower and the Lender.
- i. **All remedies are cumulative** and may be exercised by the Lender singularly or concurrently, and the election by the Lender to pursue any remedy shall not exclude pursuit of any other remedy.

13. If Lender presently holds one or more security agreements, or hereafter receives additional security agreements from Borrower, Lender's rights under all security agreements shall be cumulative. This Security Agreement shall not (unless specifically provided below to the contrary) affect or invalidate any such other security agreements. Borrower's liability will be Borrower's aggregate liability under the terms of this Security Agreement and any such other unexpired security agreements.

14. **No waiver.** No delay or failure by the Lender in the exercise of any right or remedy under this Agreement or under law shall constitute a waiver thereof, and no single or partial exercise by the Lender of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy.

15. **Severability.** If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

16. **North Dakota law governs.** This Agreement shall be governed, interpreted and enforced under North Dakota law.

17. **Modifications in writing only.** Any modification of this Agreement, to be valid, must be in writing and signed by all parties hereto.



IN WITNESS WHEREOF, THE PARTIES HAVE SET THEIR HANDS TO THIS AGREEMENT EFFECTIVE THE DAY AND YEAR FIRST ABOVE WRITTEN.

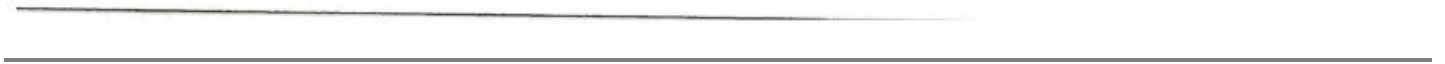
[SIGNATURES ON FOLLOWING PAGES]



**SIGNATURE PAGE OF CHIEF EXECUTIVE OFFICER
FOR GRANTOR'S SECURITY AGREEMENT**

GRANTOR: APPLIED BLOCKCHAIN, INC.

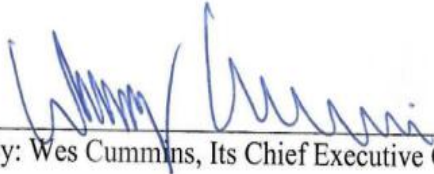

By: Wes Cummins, Its Chief Executive Officer



(3)

**SIGNATURE PAGE OF CHIEF EXECUTIVE OFFICER
FOR BORROWER'S SECURITY AGREEMENT**

BORROWER: APLD HOSTING, LLC

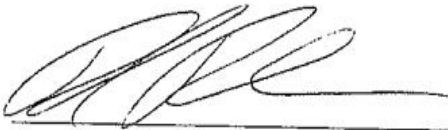
A handwritten signature in blue ink, appearing to read 'Wes Cummins', is written over a horizontal line.

By: Wes Cummins, Its Chief Executive Officer



**SIGNATURE PAGE OF CHIEF FINANCIAL OFFICER
FOR BORROWER'S SECURITY AGREEMENT**

BORROWER: APLD HOSTING, LLC

A handwritten signature in black ink, appearing to read 'DR', written over a horizontal line.

By: David Rench, Its Chief Financial Officer



SECURITY AGREEMENT

1. **Parties to this Security Agreement** (“Agreement”) are as follows:

APLD Hosting, LLC, a Nevada limited liability company, registered in North Dakota as a foreign limited liability company, 3811 Turtle Creek Blvd., Ste. 2125, Dallas, TX 75219 (hereinafter referred to as “**Borrower**”);

Applied Blockchain, Inc., a Nevada corporation, 3811 Turtle Creek Blvd., Ste. 2125, Dallas, TX 75219 (hereinafter referred to as “**Grantor**”);

Starion Bank, 2754 Brandt Dr. S., Fargo, ND 58104-8806 (hereinafter referred to as “**Lender**”).

2. **Effective date of this Agreement** is July 25th, 2022.

3. **Term of this Security Agreement.** The term of this Agreement shall be from the date of this Agreement set forth above and continue thereafter until all Debt has been paid in full and Lender no longer has any outstanding commitment to lend to Borrower, or the Agreement is otherwise terminated in writing by the parties.

4. **Purpose of this Agreement** is to transcribe for posterity the fact that the Grantor has granted to the Lender a security interest in Grantor’s personal property, described below as “Collateral”, to secure the indebtedness owed to the Lender by the Borrower, described below as “Debt”.

5. **Debt secured by this Agreement** means all indebtedness of the Borrower to the Lender evidenced by any promissory note or other debt instrument executed in connection with this Agreement, principal and interest inclusive, together with all other indebtedness, costs and expenses for which Borrower is responsible under this Agreement or any of the loan instruments and documents related to this Agreement. This Agreement is executed in connection with the Loan A: \$15,000,000.00 Real Estate Term Loan Agreement between the Borrower and the Lender, executed the same date as this Agreement and referred to throughout this Agreement as “Loan Agreement.” When one or more Security Agreements exist between the parties to this Agreement, the Security Agreements are intended to be cumulative and not superseding. In addition, this Agreement secures all other indebtedness, principal and interest inclusive, at any time now owed by Borrower to the Lender, or which may hereafter arise whether by separate loans or other credit arrangements made between Lender and Borrower or whether related to the indebtedness arising at the time this Agreement is made, by way of future advances or otherwise. This Agreement cross-collateralizes all other debt of Borrower to Lender now owed or hereafter arising.

6. **Collateral granted as security under this Agreement.** To secure the payment of the Borrower’s Debt, the Grantor hereby grants, conveys, pledges, and grants a security interest in and to, to the Lender all of the Grantor’s rights, title, and interest in the following described property,



whether now existing or hereafter acquired ("Collateral"), categorically identified below using terms defined by the Uniform Commercial Code:

- a. **Collateral Assignment of Grantor's rights and interests in all Master Services Agreement (a/k/a Master Hosting Agreement) and any Service Order Form** related to the Colocation Facility in Jamestown, North Dakota.
- b. **All records and data relating to any of the property described above as Collateral**, however and wherever such records and data are kept and maintained.

7. **Right of setoff** is also granted by Grantor to Lender in addition to the foregoing grant of the security interest in the identified Collateral. This right of setoff is a contractual possessory security interest in all of Grantor's right, title and interest in and to any of Grantor's funds or monies in the custody of the Lender.

8. **Grantor's affirmative obligations under this Agreement** include the following:

- a. **Maintain validity and perfection of the security interest hereby granted** by executing such instruments and taking such actions as the Lender may from time to time request of the Grantor, with the intent and purpose that at all times the Grantor will assure and assist the Lender in creating and maintaining a valid, enforceable and perfected security interest in the Collateral.
- b. **No violation of law or contract** has occurred by the Grantor executing this Agreement, and Grantor has full right and authority to do so.
- c. **Collateral is enforceable** to the extent the Collateral consists of accounts, contract rights, chattel paper, or general intangibles, and all such Collateral is enforceable in accordance with its terms, is genuine, and complies with applicable law, and all persons appearing to be obligated to the Grantor on the Collateral are in fact obligated as they appear to be.
- d. **Location of the Collateral** shall be at the business premises of the Grantor, unless otherwise agreed in writing between the Grantor and the Lender.
- e. **Grantor shall not sell or otherwise dispose of all or substantially all of the Collateral** without the prior written permission of the Lender, excluding inventory sold in the ordinary course of Grantor's business.
- f. **Good title to the Collateral** is herein represented and warranted by the Grantor to be in the Grantor and in its name, free and clear of all liens and encumbrances except for the lien of this Agreement, and subject only to such exceptions as have been agreed to in a separate writing by the Grantor and the Lender.



- g. Collateral shall be accounted for in writing**, insofar as the Collateral consists of inventory and accounts receivable, and Grantor shall furnish to the Lender such lists, descriptions, designations and agings of such Collateral as Lender may from time to time reasonably require.
- h. Grantor will, to the extent applicable, maintain the Collateral** in good condition and repair (fair wear and tear excepted).
- i. Lender may, to the extent applicable, inspect Collateral** at the Grantor's business premises, or wherever it may be located, upon reasonable notice and at any reasonable time.
- j. All taxes, assessments and liens will be paid by Grantor** should any of the foregoing be assessed against the Collateral, and Grantor covenants to pay all of the foregoing timely as such items come due.
- k. Grantor will comply with all governmental regulations** and laws regarding the production, disposition, and use of the Collateral.
- l. Grantor will comply with all environmental laws**, and Grantor represents and warrants that the Collateral has not been and never will be during the term of this Agreement used for the generation, manufacture, storage, transportation, treatment, disposal, release or threatened release of any hazardous waste or substance, as those terms are defined by federal and state environmental laws. Grantor hereby releases and waives any claims against the Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such environmental laws, and agrees to indemnify and hold harmless the Lender against any and all such claims or losses resulting from a breach of this provision.
- m. Grantor shall, to the extent applicable, insure the Collateral** against all such risks and hazards as are reasonably required by the Lender, with the insurance coverage to be in a minimum amount of no less than the balance of the Debt secured by this Agreement owed to the Lender by Borrower and Grantor shall cause the Lender to be named as a loss payee and additional insured on any and all such policies of insurance, and shall provide the Lender with certificates from the insurance carriers evidencing the foregoing. In the event of damage or destruction of the Collateral, insurance proceeds shall be applied first as a credit to the Debt secured by this Agreement, with any surplus remitted to the Grantor, unless a different arrangement is agreed to in writing between the Lender and Grantor.

9. Attorney-in-Fact. For so long as this Agreement is in effect, the Grantor hereby irrevocably appoints Lender the Grantor's attorney-in-fact, with full authority in the place and stead of the Grantor and in the name of the Grantor or otherwise, from and after the occurrence of an Event of Default, to take any action and to execute any instrument which the Lender may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation: (a) To ask, demand, collect, sue for, recover, compromise, receive and give acquittance



and receipts for moneys due and to become due under or in connection with any of the Collateral; (b) To receive, indorse, and collect any drafts, checks or other Instruments, Documents, notes, Chattel Paper, General Intangibles or other Collateral; (c) To file any claims or take any action or institute any proceedings which Lender may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of Grantor with respect to any of the Collateral; (d) To receive and open all mail addressed to Grantor, remove any proceeds of Collateral therefrom and deliver the balance of such mail to Grantor; (e) To execute and deliver lien releases, certificates, and other documents to obtain payment for work or materials or other Collateral; and (f) To perform and take any action authorized under any this Agreement or any other agreement between Grantor and Lender, holding Grantor liable or responsible for the costs thereof.

Grantor hereby ratifies all acts Lender takes as attorney-in-fact that are lawfully done by virtue of this Agreement. This power of attorney is coupled with an interest and shall be irrevocable. The grant of this power of attorney to take actions from and after an Event of Default shall not be construed to limit the powers of Lender to take actions otherwise permitted by this Agreement, any other agreement between the parties hereto, the Uniform Commercial Code or other law to take actions prior to the occurrence of an Event of Default.

10. Lender's Performance of Grantor's Obligations. If Grantor fails to perform any agreement contained herein or in any other agreement with Lender, Lender may itself perform, or cause performance of, such agreement, and the expenses of Lender incurred in connection with the performance shall be at the sole option of the Lender be immediately reimbursable by the Grantor to the Lender, or added to the balance of the Debt secured by this Agreement, with interest thereon to accrue at the highest rate being charged by the Lender on any debt instruments or promissory notes secured by this Agreement. The powers and rights conferred upon the Lender are solely to protect Lender's interest in the Collateral and shall not impose any duty upon Lender to exercise any such rights or powers. Without limiting the generality of the foregoing, Lender shall be under no obligation to take any steps necessary to preserve rights in the Collateral against any other parties, including Grantor, but may do so at its option. Lender shall not be liable for any acts, omissions, errors of judgment or mistakes of fact or law including without limitation with respect to the Collateral except for: (a) Gross negligence or willful misconduct; or (b) Failure to use reasonable care with respect to the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder. Lender will be deemed to use reasonable care if it uses the same standards and care as Lender takes with its own property or the collection of its own loans.

11. Default under this Agreement shall consist of any one or more of the following:

- a. Failure to pay when due** any part of the Debt secured by this Agreement.
- b. Failure of Grantor to comply with this Agreement** or the Grantor, Borrower and/or any Guarantor to comply with or perform any other term, obligation, covenant or condition contained in any loan instruments or documents related to this Agreement or in any other agreement between the Lender and the Grantor, Borrower, and the Guarantors of the loan entered into by the parties on the same date as this Agreement.



- c. **False statements** made by the Grantor, Borrower or any Guarantor to the Lender, which are false or misleading in any material respect, when made.
- d. **Defective collateralization**, from whatever cause, resulting in non-enforceability, invalidity, or lack of perfection of all or any part of the security interest of the Lender in the Collateral.
- e. **Insolvency** of the Grantor, Borrower or any Guarantor, the appointment of a receiver for the Grantor, Borrower, or any Guarantor, or any of its property, any assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against the Grantor, Borrower or any Guarantor.
- f. **Other creditor actions** against the Grantor, Borrower or any Guarantor which result or which may result, in the good faith opinion of the Lender, in a risk to either the Collateral or in a risk of nonpayment of the Debt secured by this Agreement.
- g. **Change in the financial or other condition of the Grantor, Borrower or any Guarantor**, which in the good faith opinion of the Lender renders the Lender insecure or at risk of non-collection of the Debt secured by this Agreement.

12. **Remedies.** If an Event of Default occurs and is continuing, upon written notice thereof to the Grantor and a ten (10) day opportunity to cure such Event of Default, unless a delay would cause irreparable harm to the Lender, Lender may exercise any one or more of the following rights and remedies:

- a. **Accelerate Debt secured by this Agreement** and declare all of same immediately due and payable, principal and interest inclusive.
- b. **Require Grantor to assemble Collateral** at a convenient place designated by the Lender and assist the Lender in taking possession of the Collateral for disposition of same under the Uniform Commercial Code.
- c. **Repossess the Collateral** wherever it may be found, either by self-help or by judicial action.
- d. **Sell or otherwise dispose of the Collateral** in the manner permitted by the Uniform Commercial Code, with the reasonable expenses of retaking, preparing for sale, and selling or otherwise disposing of the Collateral to be reimbursed to the Lender from the first proceeds of sale or other disposition, and the remainder to be applied as a credit to the Debt secured by this Agreement.
- e. **Collect accounts, chattel paper, instruments and general intangibles directly**, to the extent the Collateral consists of accounts, chattel paper, instruments and general intangibles, and the Lender may notify all such account debtors and



obligors on the accounts, chattel paper, instruments and general intangibles, directing them to make payment directly to the Lender on the account of the Grantor.

- f. **Obtain deficiency** by way of judgment or otherwise against the Grantor, for any and all amounts remaining unpaid on the Debt secured by this Agreement after sale or other disposition of the Collateral and after application of the proceeds as a credit to the Debt secured by this Agreement.
- g. **Other rights and remedies allowed by law**, whether state or federal, and whether under the Uniform Commercial Code or other applicable laws and regulations.
- h. **Other rights and remedies allowed by contract**, whether contained in this Agreement, or in any promissory note or other loan instrument or document executed in connection with this Agreement, or as specified in any other agreement between the Grantor and the Lender.
- i. **All remedies are cumulative** and may be exercised by the Lender singularly or concurrently, and the election by the Lender to pursue any remedy shall not exclude pursuit of any other remedy.

13. If Lender presently holds one or more security agreements, or hereafter receives additional security agreements from Grantor, Lender's rights under all security agreements shall be cumulative. This Security Agreement shall not (unless specifically provided below to the contrary) affect or invalidate any such other security agreements. Grantor's liability will be Grantor's aggregate liability under the terms of this Security Agreement and any such other untermiated security agreements.

14. **No waiver.** No delay or failure by the Lender in the exercise of any right or remedy under this Agreement or under law shall constitute a waiver thereof, and no single or partial exercise by the Lender of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy.

15. **Severability.** If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

16. **North Dakota law governs.** This Agreement shall be governed, interpreted and enforced under North Dakota law.

17. **Modifications in writing only.** Any modification of this Agreement, to be valid, must be in writing and signed by all parties hereto.



IN WITNESS WHEREOF, THE PARTIES HAVE SET THEIR HANDS TO THIS AGREEMENT EFFECTIVE THE DAY AND YEAR FIRST ABOVE WRITTEN.

[SIGNATURES ON FOLLOWING PAGES]



**SIGNATURE PAGE OF CHIEF EXECUTIVE OFFICER
FOR GRANTOR'S SECURITY AGREEMENT**

GRANTOR: APPLIED BLOCKCHAIN, INC.



By: Wes Cummins, Its Chief Executive Officer

**SIGNATURE PAGE OF CHIEF FINANCIAL OFFICER
FOR GRANTOR'S SECURITY AGREEMENT**

GRANTOR: APPLIED BLOCKCHAIN, INC.



By: David Rench, Its Chief Financial Officer



UNLIMITED COMMERCIAL CORPORATE GUARANTY
OF APPLIED BLOCKCHAIN, INC.

2022

APLD Hosting, LLC, a Nevada limited liability company, registered in North Dakota as a foreign limited liability company, 3811 Turtle Creek Blvd., Ste. 2125, Dallas, TX 75219 (hereinafter referred to as "**Borrower**");

Applied Blockchain, Inc., a Nevada corporation, 3811 Turtle Creek Blvd., Ste. 2125, Dallas, TX 75219 (hereinafter referred to as "**Guarantor**");

Starion Bank, 2754 Brandt Dr. S., Fargo, ND 58104-8806 (hereinafter referred to as "**Bank**").

Date: July 25, 2022

**THIS IS THE COMMERCIAL CORPORATE GUARANTY OF PAYMENT
OF APPLIED BLOCKCHAIN, INC.**

- 1. AMOUNT OF GUARANTY UNLIMITED.** The amount of this Guaranty shall be *unlimited* as to the Indebtedness of Borrower identified above, owed to the Bank, as such Indebtedness is identified and defined in this Guaranty, including principal, interest, costs and expenses as defined in this Guaranty.
- 2. ABSOLUTE, UNCONDITIONAL & CONTINUING GUARANTY.** For good and valuable consideration, the above-named Guarantor absolutely, unconditionally and on a continuing basis guarantees and promises to pay to the above named Starion Bank or its order, in legal tender of the United States of America, an amount equal to the Amount of Guaranty pursuant to Section 1 above for default on any or all of the Loans identified in this Guaranty and other indebtedness guaranteed herein.
- 3. MAXIMUM LIABILITY.** The maximum liability of Guarantor under this Guaranty shall not exceed at any one time a sum equal to the total amount of money owed to the Bank by the Borrower and required by the Bank to make it whole. If Bank presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Bank's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other untermiated guaranties.
- 4. BORROWER INDEBTEDNESS.** The indebtedness guaranteed by this Guaranty includes collectively any and all Borrower's indebtedness to Bank and is used in the most comprehensive sense and means and includes any and all Borrower's liabilities, obligations and debts to Bank,



now existing or hereafter incurred or created, including, without limitation, the following Loan made by Bank to Borrower identified below, effective the same date as this Guaranty: **\$15,000,000.00 Real Estate Term Loan.**

Together with all other loans if any, advances, interest, costs, debts, overdraft indebtedness and liabilities of Borrower, and any present or future judgments against Borrower, plus all of Bank's costs, expenses, and to the extent allowed by law reasonable attorney's fees incurred in connection with or relating to (A) the collection of the indebtedness, (B) the collection and sale of any collateral for the indebtedness or this Guaranty, or (C) the enforcement of this Guaranty (attorney's fees include, without limitation, reasonable attorney's fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeal); and whether any such indebtedness is voluntarily or involuntarily incurred, due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined; whether Borrower may be liable individually or jointly with others, or primarily or secondarily, or as guarantor or surety; whether recovery on the indebtedness may be or may become barred or unenforceable against Borrower for any reason whatsoever; and whether the indebtedness arises from transactions which may be voidable on account of infancy, insanity, ultra vires, or otherwise.

5. DURATION OF GUARANTY. This Guaranty will take effect when received by Bank without the necessity of any acceptance by Bank, or any notice to Guarantor or to Borrower, and will continue in full force until all indebtedness incurred or contracted before receipt by Bank of any notice of revocation shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. If Guarantor elects to revoke this Guaranty, Guarantor may only do so in writing. Guarantor's written notice of revocation must be mailed to Bank, by certified mail, at Bank's address listed above or such other place as Bank may designate in writing. Written revocation of this Guaranty will apply only to advances or new indebtedness created after actual receipt by Bank of Guarantor's written revocation. For this purpose and without limitation, the term "new indebtedness" does not include indebtedness which at the time of notice of revocation is contingent, unliquidated, undetermined or not due and which later becomes absolute, liquidated, determined or due. This Guaranty will continue to bind Guarantor for all indebtedness incurred by Borrower or committed by Bank prior to receipt of Guarantor's written notice of revocation, including any extensions, renewals, substitutions or modifications of the indebtedness. All renewals, extensions, substitutions, and modifications of the indebtedness granted after Guarantor's revocation, are contemplated under this Guaranty and specifically will not be considered to be new indebtedness. Release of any other guarantor or termination of any other guaranty of the indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Bank receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

6. GUARANTOR'S AUTHORIZATION TO BANK: Guarantor authorizes Bank, either before or after revocation hereof, **without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time:** (A) prior to revocation as set forth above, to make one or more additional secured or unsecured loans to Borrower, to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time of payment or other terms of the indebtedness or any part of the indebtedness, including increases and decreases of the rate of interest on the indebtedness; extensions may be



repeated and may be for longer than the original Loan term; (C) to take and hold security and mortgage, with this Guaranty or the indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security and, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Bank may choose; (E) to determine how, when and what application of payments and credits shall be made on the indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any non-judicial sale permitted by the terms of the controlling security agreement or mortgage, as Bank in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

7. GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Bank that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Bank; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Bank, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially of all Guarantor's assets, or any interest therein, otherwise than in the ordinary course of business or on terms materially less favorable than would be obtained in an arms-length transaction; (F) upon Bank's request, Guarantor will provide to Bank financial and credit information in form acceptable to Bank, and all such financial information which currently has been, and all future financial information which will be provided to Bank is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Bank and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or, to Guarantor's knowledge, threatened; (I) Bank has made no representation to Guarantor as to the creditworthiness of Borrower; (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding such Borrower's financial condition. Guarantor agrees to keep Borrower adequately informed of such facts, events, or circumstances which might in any way affect Guarantor's risks under this Guaranty, and Guarantor further agrees that, absent a request for information, Bank shall have no obligation to disclose to Guarantor any information or documents acquired by Bank in the course of its relationship with Borrower.

8. GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Bank (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the indebtedness or of any nonpayment related to any collateral, or notice of any action or non-action on the part of Borrower, Bank, any surety, endorser, or other guarantor in connection with the indebtedness or in connection with the creation of new or additional loans or obligations; (C)

to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Bank from Borrower, any other guarantor, or any other persons; (E) to give notice of the terms, time, and place of any public or private sale of personal property security held by Bank from Borrower or to comply with any other applicable and waivable provisions of the Uniform Commercial Code; (F) to pursue any other remedy within Bank's power; or (G) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Guarantor also waives any and all rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law which may prevent Bank from bringing any action, including a claim for deficiency, against Guarantor, before or after Bank's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Bank which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of cessation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the indebtedness; (D) any right to claim discharge of the indebtedness on the basis of unjustified impairment of any collateral for the indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Bank against Guarantor is commenced, there is outstanding indebtedness of Borrower to Bank which is not barred and performance of the indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the indebtedness and thereafter Bank is forced to remit the amount of that payment to such Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deduction to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by Borrower, and Guarantor, or both.

9. GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

10. RIGHT OF SETOFF. To the extent permitted by applicable law, Bank reserves the right of setoff in all Guarantor's deposit accounts with Bank (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Bank, to the extent permitted by applicable law, to hold these funds if there is a default, and Bank may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.



11. SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the indebtedness of Borrower to Bank, whether now or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Bank may now to hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Bank and Guarantor shall be paid to Bank and shall be first applied by Bank to the indebtedness of Borrower to Bank. Guarantor does hereby assign to Bank all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Bank. Guarantor agrees, and Bank is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Bank deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

12. MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty.

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alterations of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorney's Fees; Expenses. Guarantor agrees to pay upon demand all of Bank's costs and expenses, including Bank's reasonable attorney's fees unless prohibited by law and Bank's legal expenses, incurred in connection with the enforcement of this Guaranty. Bank may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Bank's reasonable attorney's fees unless prohibited by law and legal expenses whether or not there is a lawsuit, including reasonable attorney's fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty shall be governed by and construed and enforced in accordance with the laws of the State of North Dakota, *provided, however*, the Bank may at its option, or when required by law, utilize the laws of other states and jurisdictions where the Borrower, the Guarantor or other guarantors reside or in which they have assets, in order to



enforce the provisions of this Guaranty, collect the balance of the indebtedness, and maximize recovery so as to make Bank whole.

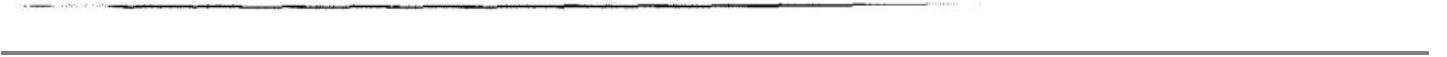
Choice of Venue. If there is a lawsuit, Guarantor agrees upon Bank's request to submit to the jurisdiction of the courts of Stutsman County, State of North Dakota.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Bank harmless from all losses, claims, damages, and costs (including Bank's attorney's fees unless prohibited by law) suffered or incurred by Bank as a result of any breach by Guarantor of warranties, representations and agreements of this paragraph.

Interpretation. The words "Guarantor," "Borrower," "Bank": include the heirs, successors, assigns, and transferees of each of them. If a court finds that a provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If Borrower and Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Bank to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and, except for revocation notices by Guarantor shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or unregistered mail postage prepaid, directed to the addresses shown in the caption of this Guaranty instrument. All revocation notices by Guarantor shall be in writing and shall be effective upon delivery to Bank as provided in Section 5 of this Guaranty entitled "Duration Of Guaranty." Any party may change its address for notices under this Guaranty by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Bank informed at all times of Guarantor's current address.

No Waiver by Bank. Bank shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Bank. No delay or omission on the part of Bank in exercising any right shall operate as a waiver of such right or any other right. A waiver by Bank or a provision of this Guaranty shall not prejudice or constitute a waiver of Bank's right otherwise to demand strict compliance with that



provision or any other provision of this Guaranty. No prior waiver by Bank, nor any course of dealing between Bank and Guarantor, shall constitute a waiver of any of Bank's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Bank is required under this Guaranty, the granting of such consent by Bank in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all case such consent may be granted or withheld in the sole discretion of Bank.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties and their successors and assigns.

Waive Jury. Bank and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Bank or Borrower against the other.

THE UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO BANK AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY BANK IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED AS FIRST ABOVE STATED.

[SIGNATURES AND ACKNOWLEDGEMENTS ON NEXT PAGE]



**CHIEF FINANCIAL OFFICER
CORPORATE GUARANTY SIGNATURE AND ACKNOWLEDGEMENT**

CORPORATE GUARANTOR: APPLIED BLOCKCHAIN, INC.

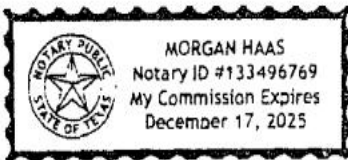


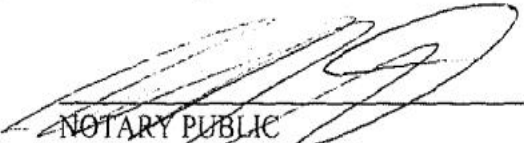
By: David Rensch, Its Chief Financial Officer

STATE OF Texas)
)ss
COUNTY OF Dallas)

On this 22nd day of July, 2022 before me personally appeared **David Rensch** to me known to be the **Chief Financial Officer** of **Applied Blockchain, Inc.**, the corporation that is described in, and that executed the foregoing instrument, and acknowledged to me that such corporation executed the same.

(NOTARY SEAL)





NOTARY PUBLIC
My Commission Expires:

Applied Blockchain Secures New \$15 Million Credit Facility to Refinance Existing Debt and Expand Liquidity Position

DALLAS, TX – August 12, 2022 [Applied Blockchain, Inc.](#) (Nasdaq: APLD) ("Applied Blockchain" or the "Company") announced today that on July 25, 2022, the Company entered into a loan agreement with a North Dakota-based bank for a credit facility with a maximum principal amount of \$15.0 million. The Company intends to use the facility to repay its existing debt and provide additional liquidity to fund the buildout of its datacenters. Applied Blockchain expects the initial interest rate of the Loan to be 1.5% for the first 13 months after taking into account state-based economic incentives and the remainder of the term rate to be 6.5%.

"The new credit facility doubles our loan-to-value on our Jamestown facility and provides us with additional capital to fund our growth plans and deliver on the increasing demand from our customers," said Applied Blockchain Chairman and CEO, Wes Cummins. "Our differentiated business model, which provides predictable, contracted revenue, allows us to secure low-cost, non-dilutive debt financing to fund a portion of our growth capital needs. Our internal finance team has worked diligently over the past year to expand our construction financing options, which resulted in what we believe is industry leading low-cost of debt capital."

About Applied Blockchain

Applied Blockchain Inc. (Nasdaq: APLD) is a builder and operator of next-generation datacenters across North America which provide substantial compute power to blockchain infrastructure and support Bitcoin mining. The Company has partnered with the most recognized names in the industry to develop, deploy, and scale its business. Find more information at www.appliedblockchaininc.com. Follow us on Twitter at @APLDBlockchain.

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