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SETTLEMENT AGREEMENT

This **Agreement** (this "Agreement"), dated January 26, 2026, is entered into by and between Hawkins County, Tennessee (the "County") and ExoticRidge Crypto Company LLC ("ExoticRidge"), collectively referred to as the "Parties."

BACKGROUND

A. On September 22nd, 2025, the Hawkins County Commission (the "Commission") adopted resolution referred to as Out of Order 2025/09/02 to establish a ban on cryptocurrency mining and data center facilities in the County (the "Ban"). The Commission relied on T.C.A. §§ 6-2-201(22) and (23) (collectively, the "County Powers Act") in its action.

B. The County Powers Act is limited in application by court decisions and statutory laws relating to variances and nonconforming uses applicable to zoning ordinances and land use controls (*see*, T.C.A. § 5-1-118(c)(3)).

C. ExoticRidge planned and has initiated development of a small-scale, off-grid Bitcoin mining facility (the "ExoticRidge Facility") on a parcel at 1496 Hwy 66, Bulls Gap, Tennessee, utilizing ethane that is a byproduct of the natural gas liquids fractionation plant situated on the same property.

D. Prior to adoption of the Ban, the County held itself out as a "Constitutional Sanctuary" (see, resolution 2023/09/03, as amended), emphasizing that it does not issue building permits and does not having any zoning restrictions or code enforcement (see, hawkinscountytn.gov).

E. In May 2025, ExoticRidge took delivery of two natural gas generators at the ExoticRidge Facility site, with the respective generators intended to make up the electric generation for its initial deployment. ExoticRidge subsequently filed for the requisite construction permit application with the Tennessee Department of Environment and Conservation Division of Air Pollution Control ("TDEC"), which TDEC determined to be complete as of September 15th, 2025. (Initial filing made on or about August 1, 2025). The permit was issued January 7th, 2026. ExoticRidge has taken substantial steps beyond acquisition of its initial generators and incurred significant expense related to the ExoticRidge Facility in reliance of the County's then-existing regulatory framework, thus giving rise to ExoticRidge's claim that it has a vested right to construct and operate its cryptocurrency mining facility at the Bulls Gap location.

F. The Parties desire to resolve all matters related to the continued development and operation of the ExoticRidge Facility through a mutually acceptable agreement without the need for litigation.

Accordingly, the Parties agree as follows:

1. Authorization to Construct and Operate. ExoticRidge is authorized to proceed with construction, installation, and operation of the planned ExoticRidge Facility, subject to the operational conditions set forth in this Agreement.

2. **Noise Limitation.**

a. **Operational Standard.** The ExoticRidge Facility shall not exceed 80 dBA at the property line (such property detailed in Exhibit A to this Agreement) for more than 30 minutes during any four-hour period, as confirmed by verifiable comprehensive monitoring as described below.

b. **Testing Requirements.**

i. ExoticRidge shall procure an independent entity to install and maintain at an agreed-upon fixed location continual sound monitoring equipment to continuously monitor and record sound levels. The readings from the monitoring equipment shall be made available to County Mayor's office for review no less than once a calendar quarter, or at any other time by request of the County Mayor's office, such additional requests not to exceed once per month. The relevant readings shall be submitted to the County Mayor's office within two business days following a request for review.

ii. In the event the County or a landowner of, or individual residing on a property that lies within 250 feet of the ExoticRidge Facility, alleges in good faith that the ExoticRidge Facility has exceeded the operational standards set forth herein, ExoticRidge shall provide the Mayor's Office with the recorded data for the requested relevant time period.

c. **Remedies.** Should measurements obtained by the aforesaid continual monitoring system demonstrate non-compliance with the permitted operational limitation, ExoticRidge shall expeditiously take commercially reasonable corrective measures to meet the operational requirement detailed in Paragraph 2.a. If necessary, ExoticRidge shall curtail operations as necessary to meet the aforesaid operational standards. Upon ExoticRidge providing County proof of implementation of corrective measures expected to achieve compliance with said operational standards, ExoticRidge may restart its mining operation during any daylight period while taking continuous sound measurements to ensure compliance. If the corrective measures cannot meet the operational requirement detailed in Paragraph 2.a., all mining operations shall cease until reasonable proof has been submitted to the County that additional reasonable remedial measures designed to achieve compliance with the respective operational requirement have been undertaken.

3. **No Noise Ordinance Required.** ExoticRidge's agreement to the operational standard detailed in Paragraph 2.a. does not obligate the County to enact a separate noise ordinance. Compliance with and enforcement of this Agreement alone will satisfy the County's requirements with respect to noise control for the ExoticRidge Facility.

4. **No Waiver of County Authority.** Nothing in this Agreement will be construed as a waiver of the County's general governmental authority under state law, except as expressly limited herein.

This Agreement resolves only the matters specific to ExoticRidge's vested rights and project operations at the ExoticRidge Facility.

5. **Reciprocal Forbearance.** As mutual consideration for this Agreement, Hawkins County, and its representatives, will forbear from any and all attempts to enforce the ordinance created by the Ban or the Ban itself against ExoticRidge's operation of the ExoticRidge Facility. ExoticRidge will forbear from seeking legal action against Hawkins County regarding the validity of the Ban.

6. **Mutual Cooperation.** The Parties have cooperated in the preparation of this Agreement, and it may not be interpreted or construed against or in favor of any party by virtue of the identity, interest, or affiliation of its preparer.

7. **Severability.** If for any reason any provision of this Agreement that is not material to the purpose contemplated by it is determined to be invalid and illegal or unenforceable, the invalidity shall not impair the operation of or affect those portions of this Agreement that are not determined to be invalid.

8. **Integration.** This Agreement constitutes the entire agreement between the Parties concerning its subject matter and supersedes all prior negotiations, agreements, and understandings between the Parties.

9. **Binding Effect.** This Agreement insures to the benefit of, and is binding upon, the Parties and their respective successors and assigns.

10. **Authority.** Each Party warrants to the other that it is authorized and validly executed and delivered this Agreement, and it is a valid and binding agreement of it, enforceable against it in accordance with its terms.

11. **Governing Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of Tennessee, excluding its conflicts of laws principles, save and except to the extent that federal law may govern. To the extent that a party to this Agreement desires to file or assert any claim to enforce this Agreement's terms, such actions shall be litigated exclusively in the federal or state courts located in the State of Tennessee having jurisdiction for Hawkins County, Tennessee.

12. **Counterparts.** This Agreement may be executed electronically and in counterparts, each of which will constitute an original, but both of which, when taken together, will constitute one and the same instrument.

To evidence their agreement to this Agreement, the Parties have executed and delivered it on the date contained in the preamble.

EXOTICRIDGE CRYPTO COMPANY LLC

By:_____
William Daugherty
CEO

HAWKINS COUNTY

By: _____
Mark DeWitte
Mayor