

SECTION 381.004 ECONOMIC DEVELOPMENT PROGRAM AND AGREEMENT

By and Between

GRIMES COUNTY, TEXAS, AND SPACE EXPLORATION TECHNOLOGIES CORP.

This Section 381.004 Economic Development Program and Agreement (this “**Agreement**”) is entered into by and between Grimes County, Texas (the “**County**”) duly acting herein by and through its County Judge, and Space Exploration Technologies Corp., a Texas corporation (“**Owner**”). This Agreement shall have an “**Effective Date**” of June 3, 2026.

RECITALS:

WHEREAS, Owner and the County are executing a tax abatement agreement (the “**Tax Abatement Agreement**”) simultaneously with the execution of this Agreement, which Tax Abatement Agreement provides for certain tax abatements for a specified time, conditioned upon requirements further set forth therein.

WHEREAS, Owner intends to construct and operate a multi-phase, next-generation, vertically integrated semiconductor manufacturing facility and advanced computing fabrication facility, which is expected to require a capital investment of at least \$5 billion, and is projected to create at least 1,800 new jobs.

WHEREAS, on June 3, 2026, following the conclusion of a public hearing at the Grimes County Commissioners Court, the Commissioners Court found that the Improvements and operations proposed by Owner within the *SpaceX Reinvestment Zone No. 1 – 2026-001* (the “**Reinvestment Zone**”) would constitute a major investment that would benefit the Reinvestment Zone and would contribute to the economic development of the County. To stimulate business and commercial activity in the County, the Commissioners Court has developed and will administer a program consistent with its Tax Abatement Guidelines for state or local economic development, and hereby agrees to make grants of public money pursuant to Section 381.004(h) of the Texas Local Government Code to administer such program.

WHEREAS, Owner has requested that the County authorize and provide certain economic development grants in connection with its development of the Facility as provided herein.

WHEREAS, pursuant to Section 381.004 of the Texas Local Government Code and for the public purpose of promoting economic development and diversity, increasing employment, reducing unemployment and underemployment, expanding commerce, and stimulating business and commercial activity in the State of Texas and Grimes County, the County desires to offer certain economic development grants to Owner as more particularly described in this Agreement.

NOW, THEREFORE, for and in consideration of the promises, covenants, and agreements set forth herein, the receipt and sufficiency of which are hereby acknowledged, the County and Owner agree as follows:

1. **Definitions.** Wherever used in this Agreement, the following terms shall have the meanings ascribed to them:

“**Ad Valorem Taxes**” shall mean all real property ad valorem taxes assessed and collected by the County on the Property based upon the taxable value of the Property. Notwithstanding the foregoing, “Ad Valorem Taxes” shall include only the portion of taxes attributable to the County’s Maintenance and Operations (“M&O”) tax rate and shall expressly exclude any taxes attributable to the County Interest and Sinking (“I&S”) tax rate, County debt service tax rate, Road and Bridge Fund tax rate, or any other voter-approved or dedicated special purpose tax levy.

“**Effective Date**” is defined in the Recitals as June 3, 2026.

“**Facilities**” or “**Improvements**” shall mean all real property improvements owned by Owner (or its successors and assigns) and located inside the County.

“**Force Majeure**” shall mean any contingency or cause beyond the reasonable control of a Party including, without limitation, acts of God or the public enemy, war, terrorist act, or threat thereof, riot, civil commotion, insurrection, government action or inaction (unless caused by the intentionally wrongful acts or omissions of the Party), fires, earthquake, tornado, hurricane, explosions, floods, strikes, slowdowns, work stoppages, or incidence of disease or other illness that reaches outbreak, epidemic, or pandemic proportions or other substantial causes affecting the area in which the Facility is located, or the Owner’s labor or supply chain, or the availability of services (“**Epidemiological Event**”) that result in a reduction of labor force or work stoppage in order to comply with local, state, or national disaster orders, construction delays, shortages or unavailability of supplies, materials or labor, necessary condemnation proceedings, or any other circumstances which are reasonably beyond the control of the Party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstances are similar to any of those enumerated or not. If a Party is unable to perform its obligations under this Agreement due to a Force Majeure, the Party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such obligation or performance shall be extended for a period of time equal to the period such Party was delayed, provided the Party whose performance is delayed provides written notice to the other Party not later than fifteen (15) business days after occurrence of the event(s) or condition(s) causing the delay describing such event(s) and/or condition(s) and the date on which such event(s) and/or condition(s) occurred. The Parties acknowledge that as of the Effective Date, the outbreak of COVID-19 (“**COVID-19 Outbreak**”) is an Epidemiological Event, that, notwithstanding the COVID-19 Outbreak, the existing effects of the COVID-19 Outbreak could not have been reasonably anticipated, and that the potential continuing effects of the COVID-19 Outbreak cannot reasonably be anticipated by County or Owner nor be prevented nor overcome, wholly or in part, by the exercise of commercially reasonable diligence by such Party provided, however, the COVID-19 Outbreak is not an excuse from performance of any obligation under this Agreement unless it actually renders a Party unable to perform such obligation in the specific instance. This shall not apply to the Owner’s obligation to make payments in lieu of taxes to the County.

“Full-Time Equivalent Job” or “FTE” shall mean a job filled by an individual who must work for a period of not less than forty (40) hours per week or if less than forty (40) hours a week, the number of hours per week that Owner represents to be in accordance with its designated full-time employment policy as of the reporting year. A Full-Time Equivalent Job may include the combined hours of two or more continuous part-time jobs where the sum of the regularly scheduled weekly hours for such jobs equals or exceeds forty (40) hours per week. Full-Time Equivalent Jobs shall include newly created employment positions and jobs held by transferred employees from other facilities of Owner or an Owner Affiliate.

“Land” shall mean any land owned or leased by Owner related to the Facilities and located within the County.

“Material Obligations” shall mean Owner’s obligations under Sections 3.4, 3.6, 4.1, 4.2, and 5.5 of the Tax Abatement Agreement.

“Owner Affiliate” shall mean any entity that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with, Owner. The term **“control”** shall mean direct or indirect ownership of more than 50% of the voting stock of a corporation (or equivalent equity interest for other types of entities) or the power to direct or cause the direction of the management and policies of the controlled entity, whether through the ownership of voting securities, by contract or otherwise.

“Premises” shall mean collectively, the Land and any Improvements located in the County.

“Tangible Personal Property” shall have the same meaning assigned by Section 1.04 of the Act and shall mean all tangible personal property, equipment, and machinery, inventory and supplies and located at the Premises and owned by Owner on January 1 of a given taxable year. Tangible Personal Property shall not include Freeport Goods or Goods in Transit pursuant to Section 11.251 or 11.253 of the Act if such items qualify for and are allowed exemption from County property taxes in a given year during the Term, and nothing in this Agreement prevents application for such exemptions, if applicable and available.

2. **Rules of Interpretation.** Defined terms used in this Agreement shall, unless they are defined in this Agreement or the context otherwise requires, have the meanings ascribed to them in the Tax Abatement Agreement.

3. **Economic Development Grants.** Subject to the terms and conditions of this Agreement and the Tax Abatement Agreement, and specifically the satisfaction of the conditions for qualifying in Section 4 below, the County will provide economic development grants (each a **“Grant”**) to Owner as follows:

(a) For each calendar year as further set forth below, provided that Owner satisfies the requirements set forth in Section 4 of this Agreement, beginning with calendar year 2037 and ending with calendar year 2061, the County shall annually pay to Owner a Grant in an amount, not less than zero, equal to the total County ad valorem taxes assessed against Improvements and Tangible Personal Property and paid to the County with respect to such calendar year, minus

\$20,000,000. Each such Grant shall be paid by the County to Owner within thirty (30) days following receipt by the County of (a) the ad valorem tax payment corresponding to such Grant, and (b) Employment Reports (when due under Section 8(v) of this Agreement). Grants will become due to Owner under this Agreement for each tax year beginning with 2037 and continuing for a period of twenty-five (25) consecutive calendar years. For the avoidance of doubt, if for any reason Improvements or Tangible Personal property do not qualify for abatement under the Tax Abatement Agreement, property taxes paid on such Improvements or Tangible Personal Property shall be included in the grant calculations provided for in this Section.

4. **Conditions to Qualify for Grants.** The following conditions will be satisfied by Owner for the entire Term (defined below and subject to the notice and cure periods in Section 6(b) below) of this Agreement in order to qualify for the Grants:

(a) Owner shall comply with its Material Obligations as set forth in the Tax Abatement Agreement; and

(b) At the time of payment of any portion of the Grants, Owner must not be delinquent in the payment of any ad valorem taxes then owed by Owner on the Facility (provided, however, Owner retains the right to timely and properly protest and contest any such ad valorem taxes).

5. **Term of this Agreement.** The term of this Agreement will commence on the Effective Date and will continue until the earlier of the date the County has paid the final Grant for calendar year 2061 as set forth in Section 3(a) above, or such earlier date when this Agreement is terminated pursuant to the terms herein (the “**Term**”).

6. **Default.**

(a) Each of the following will constitute an “**Event of Default**” under this Agreement:

(i) the County’s failure to process any portion of the Grants owing to Owner in accordance with this Agreement;

(ii) Owner’s failure to satisfy any of the conditions set forth in Section 4 above;

(iii) Owner’s failure to pay any ad valorem taxes or other material fees or charges owed by Owner to the County prior to delinquency (provided, however, Owner retains the right to timely and properly protest and contest any such taxes or fees, and so long as Owner is timely and properly protesting or contesting the same, it will not constitute an Event of Default);

(iv) a breach of any representation or covenant made in this Agreement by Owner.

(b) **Notice and Cure Periods.** In the event of the occurrence of an Event of Default described under Section 6(a), the non-defaulting Party must provide notice in writing and by email in accordance with Section 8(h) hereof to the defaulting Party of such default, and the defaulting Party will have ninety (90) days thereafter (as may be extended by Force Majeure) to cure said default. If the default cannot reasonably be cured within such 90-day period, and the defaulting Party has diligently pursued such remedies as shall be reasonably necessary to cure such default,

then the defaulting Party will have such additional amount of time as is reasonably necessary to cure such default. Only a 30-day notice is applicable to the Owner's failure to timely pay PILOTs due under the Tax Abatement Agreement.

(c) Remedies. Except as may be specifically limited in this Section 6, upon the occurrence and during the continuance of an Event of Default, the non-defaulting Party shall have all remedies available to it at law or in equity, other than termination of this Agreement.

Upon an Event of Default, either the Owner or the County has the right hereunder to enforce specific performance of amounts owed to the Owner or the County or bring an action to collect such amounts. Either Party will further have the right to seek a judicial declaration of the total amount of Grants owed, whether an Event of Default has occurred, or whether any attempt to cure has been sufficient. Periods described above for curing a delinquency or violation shall toll, and shall not be considered for any purpose as having run, beginning upon the day the Owner files a petition in district court in Grimes County, Texas to determine whether a delinquency or violation has in fact occurred under this Agreement and/or to determine whether any attempt to cure has been sufficient, and ending upon the issuance of a final court decision or other final resolution of such court proceeding. No action will lie for damages by either Party (beyond the foregoing amounts owed by the County upon an Event of Default by the County), including punitive damages, and no special or consequential damages will be recovered by either Party. If the County is the prevailing Party, it is entitled to recover its reasonable and necessary attorney's fees.

Upon the occurrence of an Event of Default described in Section 6(a)(ii) (i.e., the conditions set forth in Section 4 are not satisfied during any period of time during the term of this Agreement), and without terminating this Agreement, the County will be relieved of its obligation to pay the portions of the Grants related to such year until such default is cured within the cure period described in Section 6(b) hereof. If such default is cured by Owner within the cure period set forth in Section 6(b) hereof, the County will be obligated to pay to Owner the portions of the Grants withheld during Owner's failure to comply with Section 4 hereof.

Notwithstanding any other provision in this Agreement, and subject to Section 6(b), the only Events of Default that entitle the non-breaching party to terminate this Agreement are those provided for under Sections 6(a)(ii) and 6(a)(iii) of this Agreement.

(d) Termination. This Agreement will terminate upon the occurrence of any one of the following:

(i) the execution by both parties of a written agreement terminating this Agreement;

(ii) the expiration of the Term of this Agreement; or

(iii) at the option of the non-defaulting Party, upon the occurrence and continuation of an Event of Default provided for under Sections 6(a)(ii) or 6(a)(iii) of this Agreement (subject to the notice and cure provisions of Section 6(b) above).

(e) Attorney's Fees. If the County is the prevailing Party in any action to enforce this Agreement, it shall be entitled to recover its reasonable and necessary attorney's fees.

7. **Assignment.** This Agreement shall be binding on and inure to the benefit of the Parties to it and their respective heirs, executors, administrators, legal representatives, successors, and permitted assigns. Owner may assign this Agreement in full or in part to any Owner Affiliate upon written notice to the County (which assignment will not require County consent). Owner may assign this Agreement in full or in part to other entities; provided, however, that no such assignment shall be effective without the County's prior written consent, which consent shall not be unreasonably withheld. Owner shall provide to County a copy of the proposed written assignment that provides for the assignee, in the case of a full assignment, to assume all rights and obligations of Owner set forth in this Agreement.

8. **Miscellaneous.**

(a) All construction will be in accordance with applicable rules, regulations, and ordinances of the County, subject to any variances granted in writing by the County.

(b) It is acknowledged and agreed by the parties that the terms hereof are not intended to and will not be deemed to create a partnership or joint venture among the parties. It is further understood and agreed by the parties that Owner and the County, in satisfying the conditions of this Agreement, have acted independently, and assume no responsibility or liability to third parties in connection with these actions.

(c) This Agreement contains the entire understanding of the parties with respect to the matters contained herein and may not be modified or terminated except in accordance with the provisions hereof or by the mutual written agreement of the parties hereto.

(d) This Agreement will be construed in accordance with the laws of the State of Texas and will be performable in Grimes County, Texas.

(e) This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(f) The individuals executing this Agreement on behalf of the respective parties below represent to each other and to others (i) that all appropriate and necessary action has been taken to authorize the individual who is executing this Agreement to do so for and on behalf of the Party for which his or her signature appears, (ii) that there are no other parties or entities required to execute this Agreement in order for the same to be an authorized and binding agreement on the Party for whom the individual is signing this Agreement, and (iii) that each individual affixing his or her signature hereto is authorized to do so and such authorization is valid and effective on the date hereof. This Agreement was approved by the Grimes County Commissioners Court at its meeting on June 3, 2026.

(g) This Agreement is executed by the parties hereto without coercion or duress and for substantial consideration, the sufficiency of which is forever confessed.

(h) Any notice and/or statement required and permitted to be delivered will be deemed delivered by depositing same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate Party at the following addresses:

If to the County:

Grimes County, Texas
270 FM 149 W
Anderson, Texas 77830
Attn: County Judge
joe.fauth@grimescountytexas.gov

Grimes County, Texas
270 FM 149 W
Anderson, Texas 77830
Attn: County Attorney
megan.barcak@grimescountytexas.gov

If to Owner:

J. Ryan Simpson
Manager, Property Tax
1 Rocket Road
Hawthorne, CA 90250
310.806.5862
james.simpson@spacex.com

Jane Hasselberg
Director, Indirect Tax
1 Rocket Road
Hawthorne, CA 90250
310.806.5862
jane.hasselberg@spacex.com

Ben Lancaster
Sr. Manager, Texas Government Affairs
858 FM 1209
Bastrop, TX 78602
512.550.1229
Benjamin.Lancaster@spacex.com

With required copy to:

Mike Dixon
Haley & Olson
100 N. Ritchie Road, Suite 200
Waco, Texas 76712
mdixon@haleyolson.com

With required copy to:

Bucky Brannen
Bracewell LLP
1445 Ross Avenue, Suite 3800
Dallas, TX 75202
214.758.1011
bucky.brannen@bracewell.com

Each Party may change the address to which notice may be sent to that Party by giving notice of such change to the other parties in accordance with the provisions of this Agreement.

(i) This Agreement may be executed in any number of identical counterparts, each of which will be deemed an original for all purposes.

(j) In case any one or more of the provisions contained in this Agreement will for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability will not affect any other provision hereof, and this Agreement will be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. If any subsequent federal or state legislation or any decision of a court of competent jurisdiction declares or renders this Agreement or any part hereof invalid or illegal, the parties agree to terminate (or if

feasible, modify) this Agreement and to negotiate in good faith a remedy that preserves the intent of the parties hereunder as much as reasonably possible.

(k) Each signatory represents this Agreement has been read by the Party for which this Agreement is executed and that such Party has had an opportunity to confer with its counsel.

(l) Time is of the essence in this Agreement.

(m) The parties agree this Agreement has been drafted jointly by the parties and their legal representatives.

(n) Nothing in this Agreement will be implied to vest any rights in the parties. In addition, nothing contained in this Agreement will constitute a "permit" as defined in Chapter 245 of the Texas Local Government Code. **OWNER WAIVES ANY STATUTORY CLAIM THAT THIS AGREEMENT ESTABLISHES VESTED RIGHTS UNDER CHAPTER 245 OF THE TEXAS LOCAL GOVERNMENT CODE. THIS SECTION WILL SURVIVE THE TERMINATION OF THIS AGREEMENT.**

(o) It is expressly understood that this Agreement will be binding upon and benefit the parties hereto only upon execution by both parties.

(p) Pursuant to Section 2270.002 of the Texas Local Government Code, Owner hereby represents that neither Owner, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of Owner "boycotts Israel", and subject to or as otherwise required by applicable federal law, including without limitation 50 U.S.C. Section 4607, agrees it will not boycott Israel during the term of this Agreement. As used in the immediately preceding sentence, "boycott Israel" shall have the meaning given such term in Section 2271.001 of the Texas Local Government Code.

(q) Pursuant to Subchapter F, Chapter 2252 of the Texas Local Government Code, Owner certifies that it is not engaged in business with Iran, Sudan or a foreign terrorist organization.

(r) Pursuant to Chapter 2274 of the Texas Local Government Code, Owner verifies that (i) it does not boycott energy companies and will not boycott energy companies during the term of this Agreement and (ii) it does not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement.

(s) Pursuant to Chapter 2264 of the Texas Local Government Code, Owner represents and certifies that it does not and will not knowingly employ any undocumented worker at the Facility or on the Premises who is not lawfully admitted for permanent residence to the United States or authorized under law to be employed in the United States. If, after receiving any public subsidy from the County under this Agreement, Owner is convicted of a violation under 8 U.S.C. § 1342a(f), Owner shall repay to the County an amount equal to all Grant payments tendered to Owner under this Agreement plus interest at the annual rate of 4% not later than the 120th day after the date the public agency, state or local taxing jurisdiction notifies Owner of such violation.

(t) Owner shall use commercially reasonable efforts to utilize, or cause its contractors to utilize, Separated Building Materials and Labor Contracts as defined in Comptroller Rule 3.291(a)(13) for all taxable building material contracts related to the construction of the Facility or the acquisition and installation of the Tangible Personal Property which equal or exceed the amount of \$100,000 and require that the situs of any sales tax paid and related thereto will be Grimes County, Texas.

(u) Any controversy or claim arising from or relating to this Agreement, or a breach thereof, shall be subject to non-binding mediation, as a condition precedent to the institution of legal or equitable proceedings by any Party, unless the institution of such legal or equitable proceeding is necessary to avoid the running of an applicable statute of limitation. The parties shall endeavor to resolve their claims by mediation. County and Owner shall share the costs of mediation equally. The mediation shall be held in Grimes, Texas, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.


(v) Upon request by the County no more than once per year, Owner agrees to provide the County with reports in a form reasonably acceptable to the County certifying Owner's compliance with its minimum employment commitments and shall include information on the number of Full-Time Equivalent Jobs created, filled or contracted for at the Improvements (the "**Employment Reports**"). If the County in good faith believes that Owner may not be in compliance with its minimum employment commitment, then County shall have the right to inspect Owner's employment records as is reasonably necessary, subject to Owner's reasonable security and confidentiality requirements.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Agreement on the 3rd day of June 2026.

OWNER:

Space Exploration Technologies Corp.

By:  _____

Print Name: BRET JOHNSEN

Title: CFO

Date: 6/3/26

COUNTY:

Grimes County, Texas

By:  _____
Joe Fauth III, County Judge

Date: 6-3-2026

Attest:

By: Barbara Kimmel