

Northwest Louisiana Finance Authority Economic Development Financing Term Sheet

With the rapid growth of artificial intelligence, datacenters have become significant economic engines for communities. The Northwest Louisiana Finance Authority is a local public trust, whose mission and purpose include the promotion of economic development in the form of job creation and capital investment (“*NWLFA*”). There is a significant need to stimulate economic activity and job growth in northwest Louisiana, and the NWLFA desires to assist in such efforts. In order to accomplish this purpose, and at the request of the North Louisiana Economic Partnership (“*NLEP*”) the NWLFA is providing economic development incentives to induce datacenter hyperscalers. The incentives will be provided through the utilization of a payment-in-lieu of tax (“*PILOT*”) arrangement. The NWLFA proposes to enter into a PILOT Lease Agreement (the “*PILOT Agreement*”) with a Company (defined below) with respect to all moveable and immovable property forming the Project based on the guidelines outlined in this “*Term Sheet*.” During the Term of the PILOT Agreement, the Company will receive the benefits from a reduction in ad valorem taxes associated with the Project based on the number of jobs created and maintained and the Capital Investment (defined below) associated with the Project.

Company: Any company or companies that are existing hyperscalers or any company or companies that have a contractual agreement in place to develop a datacenter campus for an existing hyperscaler.

Targeted Employment: The Company shall be responsible for creating and maintaining a certain number of full time equivalent (“*FTE*”) jobs with wages at or above 150% of the then statewide annual average wage (exclusive of benefits), based on the correlating PILOT Level (defined herein). “*Capital Investment*” shall mean that portion of the cost of acquiring, constructing, installing and equipping the Project that is, or would be with a proper election, capitalizable for Federal Income Tax purposes, and is or could be used in the calculation of cost basis, capital gains or losses, and/or depreciation under federal income tax laws and regulations.

Table 1

PILOT Level	Targeted Employment (FTE Jobs)	Full Employment Deadline
1	50	12/1/2029
2	75	12/1/2030
3	100	12/1/2031
4	150	12/1/2032

Project:	Acquisition, construction and operation of a multi-billion-dollar datacenter campus for data processing and storage, creating the Targeted Employment outlined in Table 1 with annual wages at or above 150% of the then state-wide average wage, plus benefits, and recommended by NLEP.
Benefits:	Minimum benefits to include health insurance.
Term:	Twenty-Five (25) years from the date of issuance of the first certificate of occupancy for any part or portion of the Project.
PILOT:	<p>Each tax year, Company shall make a payment in lieu of ad valorem taxes. Each PILOT payment is calculated by assigning a <i>“PILOT Percentage”</i> to each PILOT Level of the Project and each classification of property within each PILOT Level according to Table 2 below (a <i>“PILOT Level”</i>). In order for a portion of the Project to be assigned a PILOT Level, such portion of the Project must meet the associated Capital Investment by the Capital Investment Deadline listed in Table 2, below. Property is classified as either immovable (real) or movable (personal). In order to incentivize maximum Capital Investment, the PILOT Percentages associated with each PILOT Level will decrease (with the floor being 30% for immovable property) as Capital Investment and FTE Jobs associated with the Project increase. For example, if the Capital Investment on the Project equals \$3 billion dollars before 12/31/29, the PILOT Percentages for that portion of the Project would be 65% on the immovable property and 0% on the moveable property. If the Capital Investment on the Project subsequently reaches \$5 billion dollars by 12/31/30, the PILOT Level for the portion of the Project representing the Capital Investment between \$4 billion and \$5 billion would be PILOT Level 2 and the associated PILOT Percentages for that portion of the Project would be 55% for the immovable property and 0% for the moveable property, while the portion of the Project previously assigned to PILOT Level 1 would remain at 65% for the immovable property and 0% for the moveable property.</p> <p>Additionally, the PILOT shall also include an amount equal to 1% of all construction material, furniture, fixtures and equipment, other than equipment used specifically for data processing and storage, purchased for the Project.</p>

PILOT Percentage: The PILOT Percentages are outlined in the following chart.

Table 2

PILOT Level	Capital Investment (in billions) ¹	Capital Investment Deadline ²	Targeted Employment (FTE Jobs)	Immovable (Real) Property PILOT Percentages	Movable (Personal) Property PILOT Percentages
1	\$2	12/31/2029	50	65%	0%
2	\$4	12/31/2030	75	55%	0%
3	\$6	12/31/2031	100	50%	0%
4	\$8	12/31/2032	150	40%	0%

PILOT Percentage Adjustments:

The PILOT Percentages shall be temporarily increased by the PILOT Percentage Adjustment if the Company fails to meet the Targeted Employment requirements in Table 2 for one year (the “***Missed Target Period***”). The PILOT Percentage Adjustment shall take effect in the year following the Missed Target Period and will remain in effect until December 31st of the year in which the Company achieves the Targeted Employment (the “***PILOT Adjustment Period***”). Once the PILOT Adjustment Period ends, the PILOT Percentages will return to their original levels starting the following year. During the PILOT Adjustment Period, the PILOT Percentage Adjustment will be reset based on the number of FTE jobs at the end of each year. The amount of the PILOT Percentage Adjustment shall be determined by calculating the percentage of the Targeted Employment shortfall and multiplying that figure by 1.8. For example, if the Targeted Employment at the time is 100 FTE Jobs and the shortfall is 5, the PILOT Percentage Adjustment would be 18% $((10/100) \times 1.8 \times 100 = 18\%)$. As a result, the PILOT Percentages would increase to 46% for immovable property and 18% for movable property. In the event the shortfall is greater than 50%, the PILOT Percentages shall be 100%.

Fees: The Company agrees to pay the following fees:

(a) At the signing of this Term Sheet, the non-refundable application fee in the amount of \$3,000 to the Northwest Louisiana Finance Authority.

¹ The calculation of Capital Investment does not include the typical 4–7-year technology refresh, but the initial purchase of this technology, along with additional technology purchases that are not replacements, do qualify as Capital Investments.

² Capital Investment for each PILOT Level must be accomplished on or before the Capital Investment Date outlined in Table 2 to qualify for the decreased PILOT Percentages provided for herein. Only the Capital Investment on completed portions of the Project shall be considered when assigned the PILOT Level. A portion of the Project is considered completed once it receives a certificate of occupancy or is located within a facility that has obtained a certificate of occupancy.

(b) Upon execution of a PILOT Lease Agreement, the closing fee of the NWLFA in the amount of 1/20th of 1% of the Capital Investment associated with the Project with a cap of \$100,000 and the legal fees of counsel for the NWLFA.

(c) On the 1st day of December in each calendar year, commencing the year in which the PILOT Agreement is executed, an annual administrative fee in the amount of 1/10th of 1% of the Capital Investment associated with the Project with an annual cap of \$400,000 for twenty years followed by an additional five years at \$200,000.

Additional Conditions:

(a) Company will repair any roads which sustain damage as a result of increased usage during the construction of the Project. Said roads will be restored to the same or better condition than existed immediately prior to the commencement of construction.

(b) Company will take all action necessary to ensure the existence of the Project does not result in a reduction of the surrounding community's Public Protection Classification to the extent that such reduction results in an increase in homeowner's insurance premiums.

(c) Land and other property purchased by the Company for the Project after the execution of the PILOT Agreement shall be eligible to be incorporated into the PILOT Agreement at any time during the Term of the PILOT Agreement at the request of the Company. However, the inclusion of additional property will not extend the term of the PILOT Agreement.

(d) Multi-Project Incentive: If a Company undertakes the construction of three or more Projects, and a particular PILOT Level is reached by all the Projects, there shall be a 10 percentage point reduction in the Immovable Property PILOT Percentage for that PILOT Level. Additionally, if all the Projects reach PILOT Level 2, the portions of the Project assigned to PILOT Level 1 shall move to PILOT Level 2 PILOT Percentages for subsequent years. The same adjustment will be provided for if all Projects reach PILOT Level 4.

(e) The terms provided for in this Term Sheet expire January 31, 2026.

This Term Sheet provides a summary of certain financial terms offered by the NWLFA, at the request of NLEP. The terms herein are subject to additional terms and conditions to be negotiated and contained in a PILOT Agreement and related documents (collectively, the ***"PILOT Documents"***). This Term Sheet serves as a basis to move forward pursuant to the guidelines contained herein. The terms herein are provided on a per site/campus basis. By signing below, the parties agree

to work in good faith to negotiate the PILOT Documents. Notwithstanding anything to the contrary herein, neither party is bound to execute the PILOT Documents. This Term Sheet is subject to the approval of the NWLFA and its Beneficiary and the governing authority with primary jurisdiction over the Project location.

[Signatures on the following page]

Accepted on this ____ day of _____, 202_ by:

Northwest Louisiana Finance Authority

By: _____

Name: _____

Its: _____

COMPANY

By: _____

Name: _____

Its: _____