

**NORTHWEST LOUISIANA FINANCE AUTHORITY
TERM SHEET**

Louisiana Historic Redevelopment I LLC is a Louisiana limited liability company and is proposing to construct and equip a herein defined economic development Project on the Site (the “**Company**”). The Northwest Louisiana Finance Authority (the “**Authority**”) is a public trust authority whose mission and purposes include promoting the health, safety, welfare, and economic well-being of the inhabitants of its beneficiary and the surrounding region by financing, undertaking, and encouraging community development, redevelopment, and economic development activities, which development within the region provides economic and community benefits for the beneficiary of the Authority. The Company has requested certain economic development gap financing required for the Project in the City of Shreveport (the “**City**”). There is a significant need to stimulate economic growth in Downtown Shreveport, and the Authority desires to assist in such efforts. In order to accomplish this purpose, the Authority is providing economic development incentives to the Company which have been negotiated by the Company with local government officials. The incentives will be provided through the utilization of payment-in-lieu of tax (“**PILOT**”) arrangement. The Authority proposes to enter into a PILOT Lease Agreement (the “**PILOT Agreement**”) with the Company based on the guidelines outlined in this Term Sheet. The PILOT Agreement will provide for an abatement of ad valorem taxes for a period of twenty (20) years. During the Term of the PILOT Agreement, the Company will receive the benefit of a reduction in ad valorem taxes associated with the Project. The PILOT Agreement will also provide for a sales and use tax exemption on the purchase of materials and equipment during the construction of the Project.

- Authority:** Northwest Louisiana Finance Authority
- Company:** Louisiana Historic Redevelopment I LLC
- City:** City of Shreveport, Louisiana
- Site:** Certain immovable (real property) located at 425 Edwards St., Shreveport, LA 71101.
- Project:** An approximately \$37 million redevelopment of an existing high rise building located at the Site in Downtown Shreveport into a sustainable market rate multifamily housing property.
- Lease Term:** The Lease shall expire after ten (20) years or upon termination of the Incentive Period (defined below).
- Property Tax Incentive:** Exemption of the Project from ad valorem taxes for a period of twenty (20) years commencing upon the issuance of a certificate of occupancy for either: a) the entire Project or upon January 1st of the year immediately following the issuance of a certificate of occupancy for the entire Project if the proposed tax abatement is not available in the year in which the Project receives a certificate of occupancy or b) the first phase of the Project or upon January 1st of

the year immediately following the issuance of a certificate of occupancy for the first phase of the Project if the proposed tax abatement is not available in the year in which the Project receives a certificate of occupancy (the “**Incentive Period**”).

Base PILOT Payments: During the time in which the Authority owns the Project, the Company shall be responsible for making an annual payment in lieu of taxes (the “**Annual PILOT**”) totaling an amount equal to ten percent (10%) of the ad valorem taxes that the Company would otherwise owe but for the PILOT Lease.

Option to Purchase: The Company shall have the option to purchase the Project from the Authority for a purchase price of \$1,000 at any time upon payment in full of any amounts that are actually then due, owing and/or past due under the PILOT Agreement.

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.
- (b) Upon execution of the PILOT Lease Agreement, the closing fee of the Authority in the amount of 1/20th of 1% of the capital cost of the Project;
- (c) The legal fees of the Authority related to the transaction outlined herein.
- (d) On the 1st day of December in each calendar year, commencing the year of the conveyance of the Project, or a substantial portion thereof, to the Authority, an annual administrative fee in the amount of 1/10th of 1% of the capital cost of the Project.
- (e) Upon execution of the PILOT Lease Agreement and a conveyance of the Project, or the initial phase thereof to the NWLFA, a S&U PILOT administrative fee equal to 30% of the estimated savings the Company anticipates receiving as a result of the S&U PILOT. Upon completion of the Project construction, Company shall make any additional payments to ensure NWLFA receives payments totaling 30% of the savings actually received by the Company as a result of the S&U PILOT.

Sales & Use Tax PILOT: The Authority shall effectuate an exemption from the state-imposed sales and use taxes on construction material and equipment

purchased during initial construction of the project, which shall commence upon the execution of the Construction Purchase Mandatory Agreement (the “**Mandatory Agreement**”) and end upon the receipt of a certificate of occupancy (the “**Construction Period**”).

Market Viability Study:

The execution of a PILOT Agreement by the Company is contingent on receipt of a third-party study analyzing the market viability of the Project and upon proof of funds necessary to undertake the Project satisfactory to the NWLFA. The NWLFA must approve of the third-party undertaking the market viability study.

This Term Sheet provides a summary of certain financial terms offered to the Company by the Authority. The terms herein are subject to additional terms and conditions to be negotiated by the parties 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. 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 Authority.

Accepted on this ____ day of _____, 2024 by:

NORTHWEST LOUISIANA FINANCE AUTHORITY

By: _____
Name: _____
Its: _____

LOUISIANA HISTORIC REDEVELOPMENT I LLC

By: _____
Name: _____
Its: _____

92469020.v1