

# LEWISTON CITY COUNCIL

## MEETING OF DECEMBER 16, 2025

### AGENDA INFORMATION SHEET:

AGENDA ITEM NO. 11

#### SUBJECT:

Order, Approving the Joint Development Agreement with MillCompute LLC to develop a Tier III Artificial Intelligence (AI) Data and Technology Center in Bates Mill 3.

#### INFORMATION:

Twin Cities LLC, owner of Bates Mill 3, has established a new partnership with MillCompute LLC to pursue a modern, high-value re-use of that currently vacant mill. Staff from across various city departments have worked diligently and in good faith with the development partners to explore a public-private partnership that establishes a low-impact, high-value, AI data center with the potential to generate significant near-term investment and long-term tax revenue, spin-off economic activity, and community benefit

MillCompute LLC has established a team that includes local leadership and experts from across the country in data center construction, operation, and finance, and has determined a Phase I 24MW AI Data Center is feasible with City support in the form of tax reimbursement through TIF CEA and lease of a portion of the Boiler House, and continues to explore feasibility for development of a Phase II co-generation facility utilizing natural gas fired turbines to supply below-market electricity to support data center needs.

The enclosed memo provides further detail on the Joint Development Agreement, which establishes the framework for the public private partnership, and sets out terms for obligations for both parties, tax reimbursement terms, lease terms, and milestones for the project's development, to be formalized in subsequent credit enhancement agreements, lease agreements, and other agreements, and a Joint Development Agreement is determined to be a necessary precursor to execute Phase I.

#### APPROVAL AND/OR COMMENTS OF CITY ADMINISTRATOR:

The City Administrator recommends approval of the requested action.

*BTK/kmm*

#### REQUESTED ACTION:

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To adopt the Order, Approving the Joint Development Agreement with MillCompute LLC to develop a Tier III Artificial Intelligence (AI) Data and Technology Center in Bates Mill 3.

## COUNCIL ORDER

December 16, 2025

### **Order, Approving the Joint Development Agreement with MillCompute LLC to develop a Tier III Artificial Intelligence (AI) Data and Technology Center in Bates Mill 3**

**Whereas**, the City Council has demonstrated support for aggressively incentivizing and securing investment to Lewiston in residential, commercial, and industrial sectors of the economy, to spur growth in economic activity, job creation, and taxable investment; and

**Whereas**, the City has effectively used Tax Increment Financing Credit Enhancement Agreements (TIF CEAs) and Joint Development Agreements (JDAs) to facilitate effective public-private partnerships to mitigate risk and leverage investment from outside of Lewiston and outside of Maine; and

**Whereas**, Bill Johnson, originally from Lewiston and resident of Old Orchard Beach, has a long track record of successful redevelopment of notable Lewiston properties including the Peck Building, the Trolley Medical Building, and most recently Bates Mill 3 through his ownership of Twin Cities LLC, and has established a new partnership with MillCompute LLC to pursue a modern, high-value re-use of Bates Mill 3; and

**Whereas**, on June 5, 2025, the City Administrator executed a non-binding Letter of Intent (LOI) with Twin Cities LLC to explore feasibility of new energy infrastructure development in the Bates Mill complex, specifically in relation to Bates Mill 3, that provide suitable power to support Mill 3 commercial reuse and meet the City's economic development goals; and

**Whereas**, on September 24, 2025, the City Administrator executed a non-binding addendum to the LOI where the parties agreed to explore electric utility upgrades and exclusive rights to develop a data center; and

**Whereas**, staff from across various city departments have worked diligently and in good faith with Twin Cities LLC, and Bill Johnson's recently partnered with MillCompute LLC, to explore a public private partnership that establishes a low-impact, high-value, AI data center with the potential to generate significant near-term investment and long-term tax revenue, spin-off economic activity, and community benefit; and

**Whereas**, the Riverfront Island provides several unique benefits favorable to siting a Tier III data center, including excess electricity capacity in the grid for the near- and medium-term, high speed fiber connectivity, ample natural gas service, configuration of historic mill structures, proximity to the City-owned Boiler House, among other attributes; and

**Whereas**, MillCompute LLC has established a team that includes local leadership and experts from across the country in data center construction, operation, and finance, and has determined a Phase I 24MW AI Data Center is feasible with City support in the form

of tax reimbursement through TIF CEA and lease of a portion of the Boiler House, and continues to explore feasibility for development of a Phase II co-generation facility utilizing natural gas fired turbines to supply below-market electricity to support data center needs; and

**Whereas,** a Joint Development Agreement establishes the framework for the public private partnership, and sets out terms for obligations for both parties, tax reimbursement terms, lease terms, and milestones for the project's development, to be formalized in subsequent credit enhancement agreements, lease agreements, and other agreements, and a Joint Development Agreement is determined to be a necessary precursor to execute Phase I;

**Now, therefore, be it ordered by the City Council of the City of Lewiston that**

The City Administrator is authorized to execute the enclosed Joint Development Agreement with MillCompute LLC for the purpose of developing Tier III Artificial Intelligence (AI) Data and Technology Center in Bates Mill 3.

## Economic and Community Development

To: Honorable Mayor and City Councilors  
From: Nate Libby, Director  
Re: MillCompute LLC JDA to develop an AI Data and Technology Center at Bates Mill 3  
Date: December 10, 2025

### Background

Since I joined the City in April of 2024, I've worked with an interdepartmental staff team to partner with Lewiston native, long-time developer, and Twin Cities LLC owner Bill Johnson and his team on securing commercially viable reuse of Bates Mill 3 following TD Bank's exit as part of a nationwide consolidation of operations during the pandemic. Bill and his team spent most of 2024 exploring housing and commercial development in this space and found exceptionally low demand for typical commercial uses and a building configuration not conducive to residential development due to its wide width and lack of natural sunlight.

In 2025, their focus shifted to exploring high technology reuses, capitalizing on surging international demand for AI data capacity. Staff and the development team agreed that a potential data center use in the heart of the Bates Mill district must not: adversely impact water quality, water supply, or environmental conditions; create local or regional power shortages; nor generate excessive noise or other nuisances. Other goals included: exploring creative solutions to lower the cost of power locally; exploring the creation of workforce development opportunities in AI and data center management and maintenance on-site; maximizing potential for spinoff economic activity in the parts of the building not used by the servers; providing a significant revenue stream to support the City's municipal services and broader economic development goals. The proposed project meets or favorably exceeds all of these goals.

### Location

Mill 3 provides a secure site within the complex, ideal and robust fiber optic connectivity, ample natural gas supplies, and CMP reports more than adequate excess electricity supply in the grid that services this part of the region for the near- and medium-term. The building itself is well suited for a data center, with wide, open interior floor plates, and limited natural light and window exposure creates a desirable, controlled environment for sensitive IT infrastructure.

### Market

The US currently hosts 40% of global data center capacity, and NVIDIA (the world's largest graphics processing units [GPU or "chips"] producer) forecasts annual data center investment to grow to \$1 trillion by 2028. McKinsey estimates global data centers will need nearly \$7 trillion in investment by 2030. For full disclosure, and as demonstration of AI demand and utility, ChatGPT 5.1 assisted in the research required to write the previous two sentences with a turnaround time of 28 seconds, and with several citations of sources. The forecasted demand for AI data center capacity is exceedingly strong. The integration of AI in all spheres of the economy is in the earliest stages. MillCompute has already

secured commitment for 20% of Phase 1 capacity, and expects to sell the remainder of their capacity in short order once the JDA is executed.



Courtesy of MillCompute LLC

### Cogeneration

The Developers plan to invest in natural gas-fed cogeneration equipment to provide lower electricity costs to the data center as Phase 2. Lowering electricity costs, which are much higher than the national average, is key to making the project feasible. The City's tax reimbursement through Tax Increment Financing Credit Enhancement Agreement (TIF CEA) both subsidizes the cost of power and, subject to further negotiation, assists in offsetting extraordinary development costs of building Cogen power supply in the Boiler House under a lease with the Developer. The CMP grid's excess capacity, confirmed by CMP, will be used in the initial phase, and once Phase 2 is complete, as a backup source only.

### Joint Development Agreement Terms

#### 1. Development

MillCompute will develop a 24MW Data center in Phase 1, and receive exclusive rights to develop up to 125 MW of total data center infrastructure in city-owned or controlled facilities in the Bates Mill Campus for 20 years. The City will work with MillCompute to establish a potential Phase 2 expansion, including 20-24 MW of natural gas cogeneration in the Boiler House, subject to future good-faith negotiation.

#### 2. Boiler House Lease

MillCompute will lease, from City-controlled Lewiston Mill Redevelopment Corp (LMRC), a portion of the Boiler House for \$1/year for 20 years, plus the option for two 10-year renewals. MillCompute may construct mezzanines, backup generators, interconnection infrastructure, and cooling systems there.



### 3. Tax Reimbursement through TIF CEA

Subject to state requirements for public notice, adoption of district and development program, the City will provide a 20-year TIF CEA to support extraordinary energy costs as follows:

Years 1-10: Developer 90% / City 10%

Years 11-20: Developer 85% / City 15%

It's expected the valuation of real estate and equipment to be \$300 million. Most of the equipment will qualify for the Business Equipment Tax Exemption (BETE) program, whereby the Developer does not pay property taxes on qualifying equipment, and the City is reimbursed 50% of the lost revenue due to the state exemption. Taking this revenue into account, the effective split between the Developer and the City is:

MillCompute LLC JDA	90%/10% for first 10 years		85%/15% for next 10 years	
	To Developer	To City	To Developer	To City
Property Taxes - ANNUAL				
Real Estate	\$ 2,999,250	\$ 333,250	\$ 2,832,625	\$ 499,875
Equipment (qualifies for BETE)	\$ -	\$ 465,000	\$ -	\$ 465,000
Total Property Taxes	\$ 2,999,250	\$ 798,250	\$ 2,832,625	\$ 964,875
	79%	21%	75%	25%

### 4. Other Conditions

The City is obligated to: provide the TIF and TIF CEA; execute the lease; support utility interconnection with CMP, ISO-NE, and PUC; provide assistance in securing financing and permits to the extent allowable by law/ordinance; and maintain steam service to other Bates Mill owners/tenants and coordinate installation to avoid disruptions.

The Developer is obligated to: develop 24MW of Phase 1 using commercially viable efforts; pay property taxes and maintain all infrastructure; ensure construction does not interfere with City's steam service obligations; secure \$150M in infrastructure financing; and secure all other necessary permits or approvals.



Courtesy of MillCompute LLC

### Summary

MillCompute has worked with City staff and stakeholders to develop a viable, low-impact, high-value commercial development in the heart of the Bates Mill District that, if executed, will result in up to \$300M of investment, stimulate regional economic activity, create spin-off economic development from businesses looking to site in close proximity to state of the art AI computing capacity, generate significant tax revenue to support municipal services and economic development efforts, and serve already high demand for world-wide computing capacity forecasted to grow exponentially over the next 20 year period.

Staff have worked carefully and closely over the last year with the developers, legal counsel, energy and data center experts, regulators, and other stakeholders to develop a joint development framework that represents a win-win for all parties, including Lewiston taxpayers.

### Requested Action

I recommend the Council approve the enclosed joint development agreement.

## **JOINT DEVELOPMENT AGREEMENT**

This Joint Development Agreement (this “Agreement”) dated December [\_\_\_], 2025, between MILLCOMPUTE LLC, a Delaware limited liability company (“MillCompute”), and the CITY OF LEWISTON, MAINE (the “City”). MillCompute and the City are referred to individually as a “Party” and collectively as the “Parties”.

### **RECITALS**

WHEREAS, the City owns certain real property at the historic Bates Mill campus in Lewiston, Maine, including the building commonly known as the “Boiler House”;

WHEREAS, MillCompute intends to develop a state-of-the-art tier 3 data center in Bates Mill #3 (the “Facility”) on the Bates Mill campus, which is depicted on Exhibit A (“Bates Mill Campus”) with an initial Phase 1 (as defined below) capacity of 24 megawatts (“MW”);

WHEREAS, MillCompute’s development of the Facility will require access to reliable, cost-effective electrical power from Central Maine Power Company (“CMP”) through a 34.5kV transmission interconnection;

WHEREAS, as described in Section 2.2 herein, the Parties have agreed that the City will provide a power cost subsidy (the “Energy Subsidy”) funded through a tax increment financing (“TIF”) district for a term of twenty (20) years;

WHEREAS, the City will enter into a lease with respect to the utility infrastructure in the Boiler House necessary for Phase 1 of the Facility, and Phase 1 development will not alter or interfere with existing steam delivery to other tenants on the Bates Mill Campus;

WHEREAS, as described herein, the City will grant MillCompute exclusive rights to develop up to 125MW of data center infrastructure on facilities owned or controlled by the City on the Bates Mill Campus for a period of twenty (20) years;

WHEREAS, MillCompute’s development of the Facility will create critical city, state, and regional infrastructure, and activate industrial use of the Bates Mill campus;

WHEREAS, Phase 1 plans for the Facility currently include two floors, located in Mill 3, for potential community education, workforce training, satellite office space, and innovation space tenants;

WHEREAS, the Parties have discussed potential Phase 2 expansion opportunities, including a possible 20-24MW natural gas cogeneration facility in the Boiler House as described in MillCompute’s feasibility study, and the Parties desire to negotiate in good faith such expansion if MillCompute elects to pursue Phase 2;

WHEREAS, the undertakings set forth herein are interrelated and mutually dependent on one another; and

WHEREAS, the Parties wish to identify their mutual understandings and commitments in this Agreement.



NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which the Parties acknowledge, the Parties agree as follows:

## **ARTICLE I DEFINITIONS**

The following terms shall have the following meanings:

1. “Agreement” has the meaning set forth in the preamble.
2. “Boiler House” means the power plant building located on the Bates Mill campus owned by the City.
3. “City” has the meaning set forth in the preamble.
4. “CMP” has the meaning set forth in the preamble.
5. “CMP Payments” means all amounts paid by MillCompute to CMP and ISO New England (ISO-NE) for electricity supply, transmission, capacity, ancillary services, renewable energy credits, and related charges necessary to power the Facility.
6. “Commercial Operation Date” means the date when Phase 1 of the Facility is first energized and available for tenant use.
7. “Energy Subsidy” has the meaning set forth in the Recitals and as further described in Section 2.2.
8. “Facility” has the meaning set forth in the Recitals.
9. “ISO-NE” means ISO-New England.
10. “MillCompute” has the meaning set forth in the preamble.
11. “New Property Tax Revenue” shall have the meaning set forth in Section 2.1.5(b).
12. “Phase 1” means the initial 24MW capacity of the Facility.
13. “Phase 2” means potential future expansion of the Facility, which may include cogeneration facilities and additional capacity, as described in Article III.
14. “Point of Delivery” means the metering point, at a stand-alone meter at a location to be determined by agreement of the Developer and the City, where power delivery is measured for purposes of calculating the Energy Subsidy.
15. “TIF” means Tax Increment Financing, the mechanism by which the City shall fund the Energy Subsidy as described in Section 2.2.2.

## **ARTICLE II RESPONSIBILITIES OF THE PARTIES**

### **2.1 Joint Obligations of the Parties.**

2.1.1 Efforts and Process. The City and MillCompute shall use reasonable efforts to keep the other Party and its respective agents and professionals informed on all aspects of the projects described in this Agreement. The City and MillCompute shall each designate a primary contact person for management of these projects. The MillCompute and City contact persons shall hold regular meetings, not less than quarterly, to exchange information and report on the progress of the various tasks described in this Agreement.

2.1.2 Costs and Expenses. Except as otherwise provided herein, each Party shall bear its own costs in connection with the various tasks described herein.

#### 2.1.3 Confidentiality; Press Releases.

(a) The Parties each agree to keep confidential all Confidential Information of the other except that each may disclose such information to its officers, managers, directors, stockholders, agents, legal counsel, accountants, consultants, and lenders and other financing parties, to the extent required in connection with negotiation or implementation of this Agreement. Each Party agrees to take reasonable steps to safeguard the confidentiality of any such limited disclosure. Public announcement of the Project or this Agreement shall be made only with the prior written approval of both Parties. Each Party agrees to work with the other to agree upon an appropriate public announcement of the execution and delivery of this Agreement and of the achievement of milestones thereunder as they occur. The Parties each agree that it will not use any Confidential Information obtained from the other for any purpose other than in connection with the negotiation and implementation of this Agreement.

(b) Notwithstanding the foregoing, either Party may disclose Confidential Information to the extent that it reasonably believes that it is required to do so by applicable law, including the Maine Freedom of Access Act with respect to the City, regulation or court order, provided that, prior to making such a disclosure, the disclosing party, if reasonably possible, will provide notice to the non-disclosing party of its intended disclosure in a time and manner calculated, to the extent practicable under the circumstances, to afford the non-disclosing party an opportunity to challenge such disclosure.

(c) For purposes of this Agreement, "Confidential Information" means any data or information, design, process, procedure, formula, business method or improvement that is valuable to the holder thereof and which is not generally known to its competitors or to the public including, but not limited to, financial and marketing information, and specialized information and technology developed or acquired by such party, but specifically excluding any information that (i) becomes known to the general public without fault or breach on the part of the receiving party; (ii) the holder customarily provides to others without restriction on disclosure; or (iii) the receiving party obtains from a third party without breach of any nondisclosure obligation and without restriction on further disclosure.

2.1.4 Progress Reporting. MillCompute shall provide the City with quarterly written updates on: (a) progress toward satisfaction of conditions precedent in Section 2.4; (b) major project milestones achieved; and (c) anticipated timeline for Commercial Operation Date.

These reports are for informational purposes only and failure to provide them shall not constitute a breach of this Agreement.

2.1.5 Mutual Economic Feasibility. The Parties acknowledge that the financial terms must satisfy both parties' economic requirements:

(a) MillCompute Economic Feasibility: MillCompute shall not be obligated to proceed unless the Energy Subsidy, combined with anticipated tenant revenues, results in a project that MillCompute reasonably determines is economically feasible based on its actual financing terms, operating costs, and required debt service coverage ratios.

(b) City Economic Feasibility: The City shall not be obligated to proceed unless the anticipated net fiscal impact, which is the new property tax revenue attributed to the Facility ("New Property Tax Revenue") minus Energy Subsidy payments results in a substantial cumulative benefit to the City over the 20-year term, as reasonably determined by the City.

(c) Negotiation in Good Faith: If either Party determines that the financial terms do not satisfy their respective economic feasibility requirements, the Parties shall negotiate in good faith to restructure such terms. If the Parties cannot reach agreement within sixty (60) days, either party may terminate this Agreement without penalty or liability.

2.1.6 Exclusivity. The City hereby grants MillCompute the exclusive right to develop up to 125MW of data center infrastructure on facilities owned or controlled by the City on the Bates Mill Campus for a period of twenty (20) years from the date of this Agreement, provided that if MillCompute does not commence construction activities on or before December 31, 2026, or if the Agreement is terminated as provided herein, such exclusivity period shall terminate on the earlier of such date. During the period of the exclusivity, the City shall not grant competing development rights for data center facilities on facilities owned or controlled by the City on the Bates Mill campus without MillCompute's prior written consent during this period. The City represents that it will, during the term of the exclusivity not engage with, or solicit interest from, prospective tenants of the Bates Mill that would unreasonably interfere with or unreasonably impair the ability of MillCompute to successfully complete the Facility. If a third party should contact any of the Parties seeking to participate in any role under this Agreement for which the Party contacted would like to pursue, such Party will immediately disclose such contact with such third party and the Parties will discuss in good faith whether such third party's participation is meaningful or beneficial to the Project.

## **2.2 Obligations of the City.**

Subject to the satisfaction of the conditions precedent set forth in Section 2.1.5, the City shall have the obligation to perform the following:

2.2.1 Energy Subsidy Obligation. The City shall pay MillCompute an Energy Subsidy as described in Section 2.2.2 below.

2.2.2 Subsidy Calculation and Payment.

(a) The City and MillCompute are working in good faith on a projected new value proposal following TIF terms, utilizing the following structure:

(i) Years 1-10: The City shall retain ten percent (10%) of New Property Tax Revenue, with ninety percent (90%) returned to MillCompute as the Energy Subsidy.

(ii) Years 11-20: The City shall retain fifteen percent (15%) of New Property Tax Revenue, with eighty-five percent (85%) returned to MillCompute as the Energy Subsidy.

(b) The Parties shall negotiate and execute a separate Tax Increment Financing Reimbursement Agreement that will set forth the complete terms of the Energy Subsidy, including:

- (i) Baseline property valuation methodology
- (ii) Determination of the property on which to base the determination of New Property Tax Revenue
- (iii) Calculation of the New Property Tax Revenue
- (iv) Payment timing and procedures
- (v) Documentation and invoicing requirements
- (vi) Annual reconciliation and true-up mechanisms
- (vii) Events of default and remedies

(c) The TIF Reimbursement Agreement shall be executed concurrently with or prior to the closing of financing for construction of the Facility and shall be satisfactory to both Parties and MillCompute's financing parties.

### 2.2.3 Boiler House Access and Infrastructure Rights.

(a) Lease Agreement. The City and/or the Lewiston Mill Redevelopment Corporation, as applicable ("LMRC"; LMRC and the City hereinafter referred to as the "City" solely for purposes of this Section 2.2.3), at the time of the closing for financing for construction of the Facility and MillCompute, will enter into a twenty (20) year lease agreement with MillCompute for (i) a portion of the Boiler House, as agreed upon by the City and MillCompute (the portion of the Boiler House for which MillCompute can construct and/or install equipment and improvements pursuant to Section (b) below as agreed upon by MillCompute and the City is referred to as the "Boiler House Premises") to enable MillCompute to locate, install and operate data center equipment and infrastructure necessary for Phase 1 of the Facility; and (ii) the Boiler House not part of the Boiler House Premises for access to the Boiler House Premises. The lease shall include the following terms:

(i) Rent. MillCompute shall pay the City nominal rent of One Dollar (\$1.00) per year, payable annually in advance on the anniversary of the lease commencement date;

(ii) Term and Renewal. The initial term shall be twenty (20) years. MillCompute shall have two (2) successive options to renew for additional ten (10) year terms each, exercisable by written notice to the City not less than twelve (12) months prior to the expiration of the then-current term;

(iii) Termination for Default. Either Party may terminate the lease upon material breach by the other Party or of any agreement between the parties, provided that the non-breaching Party shall first provide written notice of such breach and the breaching Party shall have sixty (60) days to cure (or, if such breach cannot reasonably be cured within sixty (60) days, such longer period as is reasonably necessary provided the breaching Party commences cure within such sixty (60) day period and diligently pursues completion);

(iv) Termination for Convenience. MillCompute may terminate the lease upon twelve (12) months' prior written notice to the City, provided that MillCompute shall remain obligated to remove its equipment and restore the Boiler House Premises in accordance with Section 2.2.3(c)(iii) below;

(v) Assignment. MillCompute may not assign or sublease the Boiler House Premises without the City's prior written consent, which shall not be unreasonably withheld, conditioned, or delayed; provided, however, that MillCompute may assign the lease without consent to (A) any lender as collateral security for financing, (B) any purchaser or transferee of substantially all of MillCompute's assets related to the Facility, or (C) any affiliate of MillCompute, subject, however, to MillCompute continuing to be liable for the tenant's obligations under this Agreement provided that the City shall release MillCompute provided that MillCompute demonstrated to the reasonable satisfaction of the City that the proposed assignee has the financial and technical capacity to comply with the terms of the lease. The City shall have the right to assign its obligations under this Agreement to any purchaser of the Boiler House with prior written notice to MillCompute;

(vi) Quiet Enjoyment. So long as MillCompute is not in default of the lease beyond any applicable cure period, MillCompute shall have quiet and peaceful enjoyment of the Boiler House Premises without interference from the City.

(b) Permitted Uses and Improvements. The lease shall grant MillCompute, at MillCompute's sole cost and expense, the right to, subject to plans and specifications approved by the City (such approval not to be unreasonably withheld, conditioned, or delayed):

(i) Construct and install a steel mezzanine structure within the Boiler House Premises for diesel backup generators and related equipment;

(ii) Install electrical interconnection infrastructure within the Boiler House Premises including transformer pad(s) and conduit/cable routing for the CMP 34.5kV interconnection;

(iii) Install and operate all equipment within the Boiler House Premises necessary for the operation of the Facility, including but not limited to backup power systems, generators, cooling infrastructure, fuel storage, security systems, and telecommunications equipment;

(iv) Access and egress rights for utility personnel, MillCompute personnel, and construction contractors to install, operate, maintain, repair, and replace equipment on a 24/7 basis;

(v) Such other rights and easements as are reasonably necessary to construct, operate, and maintain Phase 1 infrastructure; and

(vi) Option for Phase 2 Cogen Expansion. MillCompute shall have the option to expand the Boiler House Premises to include additional space within the Boiler House for installation and operation of cogeneration equipment based on agreement between the City and MillCompute as to the additional space, on the same terms of the existing lease at such time as MillCompute determines commercial feasibility.

(c) Maintenance and Repair Responsibilities.

(i) MillCompute Responsibilities. MillCompute shall be solely responsible for the installation, operation, maintenance, repair, and replacement of all MillCompute-installed improvements and equipment within the Boiler House Premises, including without limitation the mezzanine structure, generators, transformer equipment, electrical infrastructure, and all related systems. MillCompute shall maintain all such improvements and equipment in good working order and in compliance with applicable laws, codes, and regulations;

(ii) City Responsibilities. The City shall be responsible for the structural integrity of the Boiler House building, including the roof, exterior walls, foundation, and any building systems not exclusively serving MillCompute's operations. The City shall maintain the Boiler House in the same condition, as at the commencement of the Lease (reasonable wear and tear excepted), except the City shall have no obligation to maintain the Boiler House Premises, except as specifically set forth in this Section 2.2.3(c).

(iii) Surrender and Restoration. Upon expiration or termination of the lease, MillCompute shall, at the City's election, either (A) remove all MillCompute-installed improvements and equipment and restore the Boiler House Premises to its original condition, reasonable wear and tear excepted, or (B) surrender such improvements and equipment to the City at no cost. MillCompute shall complete such removal or surrender within one hundred eighty (180) days following lease expiration or termination.

(iv) MillCompute acknowledges and recognizes that the City is obligated to supply steam to tenants and occupants of other facilities on the Bates Mill Campus pursuant to various steam agreements (the "Steam Agreements"). MillCompute covenants that its installation of equipment and improvements in the Boiler House and the operation and maintenance of, and access to, such equipment and improvements in the Boiler House will not interfere with the City's obligations under the Steam Agreements.

MillCompute shall correct, as promptly as commercially practicable, and in any event within forty-eight (48) hours after receiving notice, any failure of the City to maintain heat as required under the Steam Agreements to the extent such failure is caused, in whole or in part, by MillCompute. If MillCompute fails to complete the required correction within such 48-hour period, but has commenced correction efforts within that period and is diligently pursuing completion, the City (and/or its assigns)



shall have the right to take whatever action is necessary to make the correction and to charge MillCompute for all reasonable costs incurred. Such self-help and cost recovery shall be the City's exclusive remedy for MillCompute's failure to complete the correction within the 48-hour period under these circumstances.

If MillCompute fails to commence correction efforts within the 48-hour period, or fails thereafter to diligently pursue completion, the City shall be entitled to exercise any and all remedies available at law or in equity.

(v) MillCompute represents that it has informed those third parties that own facilities on the Bates Mill Campus of MillCompute's plans to engage in the uses and improvements to the Boiler House Premises as provided in the lease and none of the third parties have objected to those plans.

(d) Utilities. MillCompute shall be solely responsible for all utilities serving MillCompute's operations within the Boiler House Premises, including without limitation electricity, water, sewer, natural gas, and telecommunications services. MillCompute shall, at its sole cost and expense, arrange for the installation of any separate metering required for its operations at a location to be agreed upon with the City.

(e) Insurance and Indemnification. MillCompute shall maintain insurance coverage for its operations within the Boiler House Premises as specified in Article IV of this Agreement, and shall indemnify and hold harmless the City from any claims, suits, actions, debts, damages, costs, charges and expenses, including but not limited to court costs and reasonable attorney's fees, arising from MillCompute's use and occupancy of the Boiler House Premises, including the breach of the covenant set forth in Section 2.2.3(c) (iv), except to the extent caused by the City's willful misconduct.

(f) City Access. The City and its third-party contractors shall have access upon reasonable prior notice and during regular business hours to the Boiler House, including the Boiler House Premises, provided such access does not unreasonably interfere with MillCompute's operations and the City and its third-party contractors complies with MillCompute's reasonable security protocols.

(g) Steam Service Continuity.

(i) The City itself and/or through third party contractors shall maintain steam production capability sufficient to meet the reasonable energy needs of the occupants of the Facility, commencing on the Commercial Operation Date and for the term of the lease. The City shall continue to provide steam equipment capable of providing reasonable energy needs to the Facility that use the Facility, provided that the City shall not be liable for delays or disruptions beyond its reasonable control or caused by the tenant's own equipment or by third parties.

(ii) MillCompute's construction and installation activities in the Boiler House shall be coordinated with the City to ensure no material disruption to existing steam service. MillCompute shall not materially interfere with, damage, or disable any steam production equipment. If Section 2.2.3(c)(iv) is inconsistent with this Section 2.2.3(g)(ii), Section 2.2.3(c)(iv) provides the standard to measure MillCompute's obligations regarding steam service and steam production equipment.

(iii) The City shall not relocate or modify steam production equipment in a manner that interferes with MillCompute's leased premises or operations without MillCompute's prior written consent.

(h) The Parties shall negotiate in good faith the specific lease terms, including boundaries of the leased premises, rent (if any), maintenance responsibilities, insurance requirements, and other commercially reasonable provisions. The lease agreement shall be executed concurrently with or prior to commencement of construction of Phase 1 infrastructure in the Boiler House.

(i) MillCompute's obligations under this Section 2.2.3 are subject to the satisfaction of the conditions precedent in Section 2.4.

**2.2.4 TIF Funding Mechanism.** The City shall establish a Tax Increment Financing district with the parameters, boundaries, and funding structure set forth herein and otherwise agreed to by the parties acting in good faith.

**2.2.5 Tax Reimbursement.** The City shall provide MillCompute with property tax treatment to be agreed to by the parties acting in good faith.

**2.2.6 Support for Utility Interconnection.** The City shall cooperate and use commercially reasonable efforts to support MillCompute in obtaining all necessary approvals from CMP, ISO New England, the Maine Public Utilities Commission, and other regulatory agencies for the 34.5kV transmission interconnection. Such support shall include, without limitation, providing letters of support, attending meetings with utility representatives, and executing any interconnection agreements on terms reasonably satisfactory to the City.

**2.2.7 Permitting Assistance.** Members of the staffs of the various departments of the City shall render reasonable assistance to MillCompute with all aspects of completing its obligations hereunder, including without limitation, assisting with obtaining all necessary permits and approvals from Federal, State and City agencies for construction and operation of the Facility, provided that this provision shall not relieve MillCompute of any of its obligations to comply with the land use, building code, electrical, plumbing, fire safety, and planning ordinances or regulations of the City, State of Maine and Federal Government.

**2.2.8 Support for Financing.** The City shall cooperate and use commercially reasonable efforts to support MillCompute in obtaining federal, state, or private infrastructure financing for the Facility, without incurring any obligation or liability under the financing but such efforts shall include without limitation: (a) letters of support for grant or loan applications; (b) testimony or presentations to funding agencies; (c) execution of documents reasonably necessary for MillCompute to secure such financing; and (d) cooperation with site visits or due diligence by potential lenders or investors.

## **2.3 Obligations of MillCompute.**

Subject to the satisfaction of the conditions precedent set forth in Section 2.1.5, 2.1.6, and 2.4, MillCompute shall have the obligation to perform the following:

2.3.1 Facility Development – Phase 1. MillCompute shall use commercially reasonable efforts to develop the Facility with Phase 1 capacity of 24MW.

2.3.2 Property Taxes. MillCompute shall pay all property taxes assessed on the Facility commencing at the Commercial Operation Date, in accordance with applicable law and City ordinances, subject to the tax reimbursement for calendar year 2026 as provided in Section 2.2.2.

2.3.3 CMP Customer Relationship. MillCompute shall be the customer of record with CMP and ISO New England, and shall be solely responsible for: (a) negotiating and executing all utility service agreements; (b) registering as an ISO-NE market participant; (c) paying all CMP Payments when due; (d) managing grid power procurement; and (e) maintaining compliance with all CMP and ISO-NE requirements.

2.3.4 Community Space. To the extent economically and commercially feasible, MillCompute will pursue the potential of including on the top two floors of the Facility tenants or use of the space for activating community education, workforce training, satellite office space, and innovation space tenants.

2.3.5 No Impact on Existing Steam Service. MillCompute shall cause Phase 1 development, including construction of the steel mezzanine and installation of equipment in the Boiler House, not to materially adversely alter, interfere with, or interrupt existing steam delivery to other tenants on the Bates Mill campus. MillCompute shall maintain steam production at current service levels throughout construction without material degradation of service to existing campus tenants, except as otherwise provided in the lease.

2.3.6 Phase 1 Development Milestones. MillCompute shall provide the City with quarterly progress updates and written notice upon achievement of the following milestones (which for the avoidance of doubt is not a guaranty of any particular outcome):

- (a) Infrastructure financing close
- (b) Construction commencement
- (c) First 12MW energization
- (d) Full 24MW energization

2.3.7 Utilization of Local Contractors. MillCompute will use good faith efforts to utilize qualified local contractors and service providers from Androscoggin County, with a target of 25% of non-specialized trade labor. MillCompute will provide quarterly reporting to the City on local Androscoggin County contractor utilization during the construction period.

## **2.4 Conditions Precedent to MillCompute's Obligations.**

The obligations of MillCompute under this Agreement shall NOT become binding upon MillCompute until ALL of the following conditions precedent have been satisfied, each of which may be waived by MillCompute in its sole discretion:

2.4.1 Financing. MillCompute (or its joint venture entity) shall have closed on not less than One Hundred Fifty Million Dollars (\$150,000,000) in infrastructure financing for Phase 1 on terms acceptable to MillCompute in its sole discretion;

2.4.2 Interconnection. CMP shall have executed a binding interconnection agreement or issued a binding “Will Serve” letter confirming availability of 34.5kV transmission service with capacity for not less than 24MW and a timeline for energization to a specific month on terms acceptable to MillCompute;

2.4.3 City Approvals. The City shall have obtained all necessary approvals from the City Council and other municipal bodies for this Agreement and the Energy Subsidy commitment;

2.4.4 TIF District. The City shall have established the TIF district and provided MillCompute with documentation of the funding mechanism satisfactory to MillCompute and its lenders in their sole discretion;

2.4.5 MillCompute Permits and Approvals. All necessary permits and approvals for Phase 1 construction shall have been obtained or MillCompute shall have determined in its reasonable judgment that such permits and approvals are reasonably obtainable.

## **2.5 Assignment; Limited Recourse.**

2.5.1 Assignment. MillCompute may assign all of its rights, interests, and obligations under this Agreement to a joint venture entity or special purpose entity formed by MillCompute and its financial partners for the purpose of developing, financing, and operating the Facility, subject to the consent of the City, which shall not be unreasonably withheld, conditioned or delayed, provided no such consent shall be required to the extent that MillCompute is in control of the assignee (including by acting as the limited liability company manager or managing member). Upon such assignment and written assumption of obligations by the joint venture entity, MillCompute shall be fully and unconditionally released from all obligations, liabilities, and commitments under this Agreement, and the joint venture entity or special purpose entity shall be substituted as the party to this Agreement in place of MillCompute.

2.5.2 Limited Recourse. The obligations of MillCompute under this Agreement shall be non-recourse obligations, with any recovery for breach of the terms hereof, limited to the Facility and its associated assets. Notwithstanding the generality of the foregoing, none of MillCompute’s affiliates, direct or indirect members, officers, directors, employees, or other representatives shall have any liability with respect to this Agreement. The City shall not require or request any personal guarantees from MillCompute LLC’s members, managers, officers, or any affiliated persons as a condition to performance of the City’s obligations hereunder.

## **ARTICLE III PHASE 2 EXPANSION**

The Parties acknowledge that MillCompute has conducted a feasibility study examining potential Phase 2 expansion of the Facility. The following provisions regarding Phase 2 are non-binding expressions of the Parties’ intentions and do not create any obligation on either Party to proceed with Phase 2.

**3.1 Cogeneration Feasibility.** MillCompute’s feasibility study has examined the technical and economic feasibility of constructing a 20-24MW natural gas cogeneration facility in the

Boiler House. The Parties acknowledge this feasibility study and agree that if MillCompute pursues Phase 2 cogeneration, the Parties shall negotiate in good faith whether to undertake such development.

**3.2 Energy Subsidy Extension.** If MillCompute elects to pursue Phase 2, the City agrees to consider in good faith tax increment financing for Phase 2.

## **ARTICLE IV TERM AND TERMINATION**

**4.1 Term.** Except as otherwise stated herein, unless otherwise terminated under this Article IV or Article II, the obligations of the Parties hereunder shall terminate on the two year anniversary of the date hereof, provided that the Energy Subsidy obligation set forth in Article II shall continue for a term of twenty (20) years from the Commercial Operation Date, and the exclusive development rights set forth in Section 2.1.6 shall continue for a term of twenty (20) years from the date of execution of this Agreement unless otherwise stated in Section 2.1.6.

**4.2 Termination by MillCompute.** MillCompute may terminate this Agreement upon the occurrence of any of the following events:

4.2.1 The City fails to pay any Energy Subsidy invoice within thirty (30) days after the due date and fails to cure such default within thirty (30) days after receipt of written notice from MillCompute;

4.2.2 The City is late in paying Energy Subsidy invoices more than three (3) times in any twelve-month period;

4.2.3 The City materially breaches any other provision of this Agreement and fails to cure such breach within sixty (60) days after receipt of written notice from MillCompute; or

4.2.4 If the conditions set forth in Sections 2.4 are not satisfied (or waived by MillCompute in writing) on or before December 31, 2026;

4.2.5 If MillCompute is unable to close infrastructure financing on commercially reasonable terms acceptable to MillCompute by June 30, 2026;

4.2.6. If MillCompute is prevented from performing its obligations under this Agreement due to force majeure events (including but not limited to: acts of God, war, terrorism, pandemic, government action or inaction, utility failure or delay, labor disputes, material shortages, or any other cause beyond MillCompute's reasonable control) for a period exceeding six (6) months.

**4.3 Termination by City.** The City may terminate this Agreement upon the occurrence of any of the following events:

4.3.1 MillCompute fails to pay property taxes on the Facility within thirty (30) days after the due date and fails to cure such default within thirty (30) days after receipt of written notice from the City, provided that MillCompute shall not be in default if such non-payment is

due to tenant non-payment and MillCompute is diligently pursuing eviction or collection remedies;

4.3.2 MillCompute materially breaches any other provision of this Agreement and fails to cure such breach within sixty (60) days after receipt of written notice from the City;

4.3.3 If the conditions set forth in Sections 2.4 are not satisfied (or waived by MillCompute in writing) on or before December 31, 2026;

4.3.4 If MillCompute is unable to close infrastructure financing on commercially reasonable terms acceptable to MillCompute by June 30, 2026; or

4.3.5s. If the City is prevented from performing its obligations under this Agreement due to force majeure events (including but not limited to: acts of God, war, terrorism, pandemic, government action or inaction, utility failure or delay, labor disputes, material shortages, or any other cause beyond MillCompute's reasonable control) for a period exceeding six (6) months.

**4.4 Consequences of Termination.** Notwithstanding anything to the contrary herein, the rights of the parties to terminate this Agreement pursuant to Sections 4.2.4, 4.2.5, 4.2.6, 4.3.3, 4.3.4 and 4.3.5, shall be with no penalty, damages, liability, or further obligation to the other Party, provided that in all cases the obligations set forth in Article V shall continue with respect to any claim with respect to acts or omission of the indemnifying party prior to termination.

## **ARTICLE V INDEMNIFICATION**

Each Party shall indemnify, defend, and hold harmless the other Party and its agents, servants, officers, directors, employees, and affiliates from and against any loss, cost, liability, claim, damage, expense (including, without limitation, all out-of-pocket expenses, reasonable attorneys' fees, disbursements, and costs), penalty, or fine incurred in connection with any claim or cause of action arising from or in connection with this Agreement to the extent caused by the negligence, misrepresentation, fraud, fault, or misconduct of the indemnifying Party.

## **ARTICLE VI MISCELLANEOUS**

6.1 Representations and Warranties. Each Party represents and warrants that: (a) it is an entity or municipality, as the case may be, duly organized, validly existing, and in good standing under the laws of its state of organization (Delaware for MillCompute, Maine for the City); (b) it has the necessary power and authority to enter into and perform its obligations under this Agreement; (c) it has duly authorized the person(s) signing this Agreement to execute this Agreement on its behalf; (d) upon execution, this Agreement will be a legal, valid, and binding obligation of such Party, enforceable against such Party in accordance with its terms; and (e) the execution and delivery of this Agreement and its performance by such Party will not violate, result in a breach of, or conflict with any law, rule, regulation, order, or decree applicable to such Party.



6.2 Governing Law. This Agreement shall be interpreted in accordance with and governed by the laws of the State of Maine, without regard to the conflicts of law principles thereof.

6.3 Relationship of Parties. The Parties understand and agree that no Party is an agent, employee, contractor, vendor, representative, or partner of any other Party, and that no Party is capable of binding any other Party to any obligation or liability without the prior written consent of the other Party. Neither the execution and delivery of this Agreement, nor consummation of the transactions contemplated hereby, shall create or constitute a partnership, joint venture, or any other form of business organization or arrangement between or among the Parties.

6.4 Integration. The terms and provisions contained in this Agreement constitute the entire agreement between the Parties with respect to the subject matter hereof. This Agreement supersedes all previous undertakings, representations, and agreements, both oral and written, between the Parties with respect to the Facility and the Bates Mill campus development.

6.5 No Oral Modifications. This Agreement may not be amended or modified except by written agreement executed by each of the Parties hereto.

6.6 Arbitration. Except for claims for equitable relief, all disputes arising in connection with or under this Agreement shall be finally settled by arbitration using the American Arbitration Association Rules then in effect. The proceedings shall be held in Lewiston, Maine.

6.7 No Third-Party Beneficiaries. This Agreement is exclusively for the benefit of the Parties hereto. It may not be enforced by any party other than the Parties to this Agreement.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized officers as of the day and year first above written.

MILLCOMPUTE LLC

By: \_\_\_\_\_

Name:

Title:

CITY OF LEWISTON, MAINE

By: \_\_\_\_\_

Name:

Title: