

Jobs PILOT Term Sheet
Sylvamo Corporation
April 21, 2021

Sylvamo Corporation (“Sylvamo” or “Applicant”) is a wholly-owned subsidiary of International Paper Company that is being spun-off into an independent, publicly-traded company with an estimated \$3.3 billion in sales and seven domestic/international mills with a capacity to produce 3.5 million short tons of printing and writing paper – making it one of the industry’s largest competitors. Sylvamo is looking for a corporate headquarters location that will employ 300 people with an average salary/bonus of \$179,235 (“Project”). Applicant is requesting a 15-year Jobs PILOT to encourage it to select Memphis for its global headquarters location.

Sylvamo’s products will be used in copiers, printers and for digital imaging. End-use applications include advertising and promotional materials, greeting cards, books and direct mail. Products also include envelopes, tablets, business forms and file folders.

Sylvamo is currently evaluating potential locations for its global headquarters, including at least seven within the City of Memphis. As a result, certain details typically included in a Jobs PILOT Term Sheet (e.g., Project budget detail, Local Business Participation (“LBP”) calculation, final PILOT evaluation matrix) are not currently available. To encourage Sylvamo to select Memphis for its new global headquarters, the EDGE Board hereby:

1. Approves the Project for a 15-year, 75-percent abatement of City and County taxes for real property improvements (including Community Reinvestment Credit benefit) and personal property taxes, as outlined in the EDGE Jobs PILOT Policies & Procedures effective June 1, 2019 (“Policies and Procedures”), conditioned on the Applicant within 12-months from approval of this Term Sheet:
 - a. Selecting a site for the Project within the City of Memphis or unincorporated Shelby County;
 - b. Committing to create at least 300 jobs averaging \$179,235 annually for salaries and bonuses for the Project;
 - c. Providing EDGE with a definitive Project budget detail (e.g., new capital investment, Community Reinvestment Credit) and committing to new tangible personal property and real property improvements, totaling at least \$10 million;

- d. Providing the amount of real property space to be leased by Sylvamo for the Project and all other data typically required of a PILOT applicant by the Policies and Procedures; and
 - e. Committing to meet the minimum LBP standard as set forth in the Policies and Procedures.
2. Agrees, upon Sylvamo's satisfaction of the foregoing conditions, to approve an Amended and Restated Term Sheet, in a standard EDGE Jobs PILOT format, incorporating the data required in No. 1 above and providing a final PILOT evaluation matrix, Project budget detail, LBP calculation, the estimated direct/indirect Project-related tax revenue to be received by the City and County, and the estimated property taxes to be abated.
3. Agrees, if the Applicant selects a Project location currently in a PILOT through the Memphis Center City Revenue Finance Corporation ("CCRFC"), to work with the Applicant and CCRFC to maximize PILOT benefit to the Applicant consistent with both CCRFC and EDGE PILOT Policies & Procedures.

The 15-year PILOT for the Applicant is based on the following terms:

CITY OF MEMPHIS TERMS	% PAID	SHELBY COUNTY TERMS	% PAID
Personal Property	Year 1-15 25%	Personal Property	Year 1-15 25%
Real Property Improvements*	Year 1-15 25%	Real Property Improvements*	Year 1-15 25%

**Where applicable policy and jurisdiction applies.*

Preliminary PILOT Evaluation Matrix

CATEGORY	DATA	POINTS	YEARS
Jobs Created	300	60.0	
Wages	\$179,235	148.8	
Capital Investment	TBD	TBD	
Community Reinvestment Credit	TBD	TBD	
Sub-total		208.8	20
Location: City of Memphis	Yes		1
Local Business Participation	Yes		1
New Markets Tax Credit Census Tract	TBD		TBD
MWBE	No		0
Headquarters	Yes		2
Sub-total			4
Total (Maximum Allowed 15-Years)			15-Years

Preliminary Project Budget Detail

REAL PROPERTY INVESTMENT IN PILOT	
Purchase Price	\$0
Hard Construction and Site Work	TBD
Sub-Total	TBD

PERSONAL PROPERTY INVESTMENT IN PILOT	
New	TBD
Transferred*	\$0
Sub-Total	TBD

Total New Capital Investment in PILOT	TBD
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INVESTMENT NOT INCLUDED IN PILOT	
Other Real Property	TBD
Other Personal Property	TBD
Fees & Soft Costs	TBD
Sub-Total	TBD

Total Capital Investment	TBD
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COMMUNITY REINVESTMENT CREDIT INCLUDED IN THE PILOT	
Value of Existing Land and Building	TBD

Total Capital Investment + CRC Value for Scoring Matrix	TBD
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**Personal property relocated from a facility outside of Shelby County is considered at its depreciated, current value.*

Ramp-Up Period

The Applicant will have a two (2) year Ramp-Up Period within which to achieve its Project commitments. This two (2) year period shall begin upon the date when any property, in whole or in part, is conveyed to EDGE, covered by a PILOT Lease, and begins to enjoy the benefits of the PILOT incentive.

Estimated Local Business Participation

Spending with City of Memphis or Shelby County certified minority and women business enterprises (MWBES) shall be an amount equal to or greater than:

				*Minimum for Bonus Opportunity	
		Basis	\$ LBP	1 Added Year	2 Added Years
	25%	Construction/Site Work	TBD	TBD	TBD
+	15%	Real & Personal Property Savings	TBD	TBD	TBD
=	Total		TBD	TBD	TBD

Identified Labor Source

Per section X (C) (ii) of the Jobs PILOT Policies and Procedures, the PILOT Recipient is required to list all Net New Jobs with the Workforce MidSouth and its American Job Center (successor to the Workforce Investment Network or WIN), and give due consideration to individuals referred by those organizations for open positions.

Terms & Conditions

Award of a PILOT in accordance with the recommendations of the Economic Development Growth Engine (EDGE) Industrial Development Board of the City of Memphis and County of Shelby, Tennessee staff, as set forth herein, is subject to the following conditions.

1. The award of a PILOT to the real property used for Applicant's Project is subject to Board Counsel's review and approval of the environmental impact study for said real property to be produced or procured by Applicant.
2. The award is subject to receipt of letters of approval from the mayors of both the City of Memphis and the County of Shelby.
3. The EDGE Board of Directors (the "Board") reserves the right to assign the PILOT, or its rights with respect thereto, to the Memphis and Shelby County Industrial Development Board (the "IDB"), in accordance with the service agreement between the Board and the IDB, if the Board ultimately deems it beneficial.
4. The award of a PILOT is subject to the provisions of the Jobs PILOT Policies and Procedures Effective June 1, 2019 ("Policies and Procedures").
5. The award is subject to the negotiation and execution of PILOT lease agreements requiring the payment of rent in the amount of \$100.00 per year, which agreements shall be in a form substantially similar to EDGE's standard form, and consistent with the provisions of this Term Sheet.
6. In the absence of an explicit written waiver of this condition, no conveyance will be deemed to have been accepted by EDGE, the IDB or any other affiliate or agent of EDGE unless and until all of the documents for the subject transaction, including the PILOT lease agreement, have been negotiated and delivered.
7. The Applicant shall receive Community Reinvestment Credit for the Project.
8. If Applicant selects Memphis for its global headquarters, Applicant, before closing procedures are initiated, shall:
 - a. Commit to create at least 300 jobs for the Project averaging \$179,235 annually for salaries and bonuses;
 - b. Provide EDGE with a definitive Project budget detail (e.g., new capital investment, Community Reinvestment Credit) and commit to new tangible personal property and real property improvements, totaling at least \$10 million;

- c. Provide locations, the amount of real property space to be leased by the Applicant for the Project and all other data typically required of a PILOT applicant by the Policies and Procedures; and
 - d. Commit to meet the minimum LBP standard as set forth in the Policies and Procedures;
 - e. Attend a regularly scheduled EDGE Board Meeting and present a site selected by Sylvamo for its new global headquarters location which satisfies the requirements of the Policies and Procedures.
9. EDGE acknowledges that Sylvamo anticipates that a wholly-owned subsidiary of Sylvamo will ultimately be the PILOT Applicant under the PILOT lease agreements with EDGE and will employ the Project jobs. If a subsidiary structure is used, Sylvamo shall be a sponsor for all obligations contracted by the subsidiary.