

March 20, 2025

Chairman Clemens and Members of the Committee,

Applied Digital Corporation (Nasdaq: APLD) is a designer, builder and operator of next-generation digital infrastructure for High Performance Compute ("HPC") applications. Plainly, we are a landlord offering a high-tech environment for owners of some of the most advanced super computers on the planet to safely operate their equipment. Applied Digital has been active in North Dakota since 2021 and currently maintains facilities north of Jamestown and in Ellendale. These investments are the result of a strong partnership between APLD and the State of North Dakota. Indeed, to date we have invested over \$1B in infrastructure in North Dakota and anticipate roughly \$4B more in the coming years. These figures do not include the money that a future customer is anticipated to spend in installing equipment within our facility. Our permanent employment footprint at our facilities is expected to be roughly 400 jobs and an outside economic impact study we commissioned estimates that this footprint will also create roughly 2,500 indirect jobs as a result of our projects. In addition to our positive employment numbers, our Ellendale project has directly resulted in \$5.4 Million being returned to MDU's North Dakota rate payers in 2023 and MDU is projecting that it will directly result in an additional \$14 Million being returned to MDU's North Dakota rate payers in 2024.

House Bill 1444 is a necessary and common-sense measure that provides clarity and a solution when township governance is unable or unwilling to address critical road infrastructure issues. This bill allows counties to step in and resolve road-related concerns when necessary.

Applied Digital has had positive experiences working with the Fried Township, north of Jamestown. There, we followed the established process, paid necessary permit fees, and collaborated effectively to complete required paperwork. The process was straightforward, efficient, and benefited both the township and our operations.

However, at our other facility in Ellendale, our experience has been entirely different. The township has treated a public road as if it were a toll road, a stance they have confirmed through written testimony and by verbal testimony by the Township Association to the House Transportation Committee. The road in question is a small gravel road that Applied Digital has significantly improved at our own expense, investing over \$400,000. Despite these improvements, the road still requires proper paving and turn lanes from the highway for safety and usability. Unfortunately, the township has actively opposed these necessary upgrades without offering any alternative solutions.

To further highlight the issue, Applied Digital has paid over \$300,000 in overweight permit fees to the township for truck traffic using this road. However, rather than reinvesting these funds into improving the road in question, the township has diverted the money to other roads or projects unrelated to this critical infrastructure need.

Recognizing the safety concerns and the township's inaction, the county has voted to take over the road. However, due to ambiguities in the Century Code, it remains unclear whether the county has the authority to proceed.

House Bill 1444 provides the necessary clarification for the interest of public safety and needed improvements. Public roads should not serve as income-generating tools for townships that selectively impose fees on some while neglecting essential infrastructure and safety obligations.

I respectfully urge the committee to support House Bill 1444 to ensure that public roads remain safe, accessible, and properly maintained.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink that reads "Nick Phillips". The script is cursive and fluid, with the first name "Nick" and last name "Phillips" clearly distinguishable.

Nick Phillips

Executive Vice President of External Affairs
Applied Digital