

Preliminary Financing Term Sheet

Development Finance Authority of Summit County

Proposes to provide a comprehensive financing package for the

The Smithers Group Inc. World Headquarters Project

Dated – August 27, 2019

The following term sheet is non-binding and is not meant to be a final commitment by the Development Finance Authority of Summit County ("DFA"), the County of Summit ("County"), City of Akron ("City") or any other associated party. Nothing contained in this Term Sheet shall be binding on any party unless and until incorporated into formal agreements and agreed to by the parties in writing. Final terms for this transaction will be subject to further due diligence with all involved parties, and subject to the approval of the DFA Board of Directors, Summit County Council and Akron City Council. This preliminary term sheet and related information is confidential and proprietary.

I. Project Description and Property

The Smithers Group, Inc. ("Smithers") will acquire, relocate to and expand at 47 N. Main Street and certain nearby properties (collectively the "Project Site") in the City of Akron (the "City"), County of Summit, Ohio (the "County"). Smithers is currently expanding its business, and accordingly anticipates creating approximately 84 new jobs within the City between September 2018 to 2023 and retain 111 jobs within the City with a 12-month baseline pay roll of \$5,880,000 and \$9,400,000, respectively. The total investment at the Project Site is expected to be over \$16,890,000, with an additional investment of \$815,000 at the Product Testing Site, as hereinafter defined.

Property: The project components (the "Total Global Project") consist of the following:

- 1) Headquarters Building (the "HQ Building") – The real property currently owned by the DFA and located at 47 N. Main St., Akron, OH 44308, identified as Parcel No. 6763392, and consisting of approximately 0.73 acres of land and a building of 63,261 rentable square feet, which will be condominiumized into two units and associated common area, pursuant to a Declaration of Condominium, as follows:
 - a. Condominium Unit A ("Unit A") – Total rentable square feet of 24,626, consists of all but 1,150 square feet of the Basement and floors 1 and 2, and 3,116 square feet of floor 3, which are currently leased to Akron Children's Hospital and Cleveland Clinic Akron General, and which the parties anticipate will continue to be leased to the same;
 - b. Condominium Unit B ("Unit B") – Total rentable square feet of 33,684, consists of 1,150 square feet of the Basement, floors 4, 5 and 6, and the remaining 5,695 square feet of floor 3, which the parties anticipate will be occupied by Smithers;

- c. Certain common areas consisting of certain elevators, stairwells, lobbies, hallways as will be identified in the Declaration of Condominium ("Common Area").
- 2) Building 2 ("Building 2") – The real property currently owned by the County and located at 31-37 N. Main St., Akron, OH 44308, identified as being a portion of Parcel No. 6763391, and consisting of approximately 0.3 acres of land and a building of 36,836 square feet, which will be abated, demolished and transformed into parking adjacent to the HQ Building ("Building 2 Parking Lot").
 - 3) Building 3 ("Building 3") – The real property currently owned by the County and located at 21-25 N. Main St., Akron, OH 44308, identified as being a portion of Parcel No. 6763391, and consisting of approximately 0.2 acres of land and a building of 21,927 square feet, which will continue to be owned by the County. The County will also provide Smithers an option to purchase the same for the purchase price of \$1.00 within seven (7) years of the date of Closing.
 - 4) Back Building ("Back Building") – The real property currently owned by the County and located at 42 N. High St., Akron, OH 44308, identified as being a portion of Parcel No. 6763390, and consisting of approximately 0.2 acres of land and a building of approximately 20,500 square feet, which will be abated, demolished. Following the demolition and abatement of the Back Building, the approximately 0.2 acres of land will become part of the Parking Lot and Greenspace.
 - 5) Trolley Shed Building ("Shed Building") – The real property currently owned by the County and located at 42 N. High St., Akron, OH 44308, identified as being a portion of Parcel No. 6763390, and consisting of approximately 0.6 acres of land and a steel shed/roof structure that spans between the HQ Building and the Back Building, which will be abated, demolished. Following the demolition and abatement of the Shed Building, the approximately 0.6 acres of land will become part of the Parking Lot and Greenspace.
 - 6) Parking Area ("Parking Area") – The real property currently owned by the County and located at 42 N. High St., Akron, OH 44308, identified as being a portion of Parcel No. 6763390, and consisting of approximately 1.3 acres of improved land which is currently used as a parking lot for the HQ Building.
 - 7) Driveway ("Driveway") – The real property currently owned by the County and located at 42 N. High St., Akron, OH 44308, identified as being a portion of Parcel No. 6763390, and consisting of approximately 0.1 acre of improved land, which consists of a driveway that runs between the HQ Building and Building 2.
 - 8) Route 59 Parcels ("Route 59 Parcels") – The real property currently owned by the City and consisting of three parcels of vacant land adjacent to Route 59 in the City of Akron, identified as Parcel Nos. 6756146, 6854276, and 6804446, that will be transferred from the City to the DFA and combined with the Parking Area in order to expand the number of parking spaces in the Parking Area.
 - 9) Parking Lot and Greenspace ("Parking Lot and Greenspace") – The real property parcel that will consist of the Parking Area, Driveway, Route 59 Parcels, land currently under the Shed Building, the land currently under the Back Building, but which will not include the land that will be situated under the R&D Building. The Parking Lot and Greenspace will also include the portion of Parcel No. 6763392 whereupon the HQ Building is located that is currently used for parking.
 - 10) R&D Building ("R&D Building") – A new building which will be constructed immediately adjacent to the north and east of the HQ Building, and will be connected thereto, and which will be constructed upon land currently consisting of a portion of the Parking Area and a portion of the land currently under the Shed Building.

II. Real Estate Transactions:

At Closing, the parties will consummate the following transactions, which will be set forth prior to closing in any necessary development agreements, real estate sales agreements, and any other agreements or documents as the parties deem necessary to consummate the following transactions.

- 1) Condominiumization of HQ Building – The DFA, as the current owner of the HQ Building, will prepare and file with the Summit County Fiscal Office a Declaration of Condominium, Bylaws, Condominium Drawings and any other necessary documents with the Summit County Fiscal Officer to divide the HQ Building into Unit A, Unit B and Common Area. The Declaration of Condominium, Bylaws, Drawings and any other necessary documents, including descriptions of Unit A, Unit B and the Common Area are subject to review and approval by Smithers prior to filing the same.
- 2) Real Property Divisions in Preparation of Transfers – The County, as the current owner of the parcel which contains Building 2 and Building 3, will take such steps as are necessary to survey and split said parcel into two separate parcels of real property, one containing Building 2 and one containing Building 3, as more fully set forth on Appendix A, attached hereto.

The County, as the current owner of the parcel which contains the Back Building, Shed Building, Parking Area and Driveway, will take such steps as are necessary to survey and split said parcel into two separate parcels, one containing the land that will be situated under the R&D Building (“R&D Building Parcel”) and one containing the balance of the land currently under the Shed Building, the balance of the land consisting of the Parking Area, the land currently under the Back Building and the Driveway, as more fully set forth on Appendix A, attached hereto.

The City shall transfer the Route 59 Parcels to the County and County will take steps necessary to combine the Route 59 Parcels with the parcel containing the balance of the land currently under the Shed Building, the balance of the land consisting of the Parking Area, the land currently under the Back Building and the Driveway, as set forth on Appendix A (the “Parking Lot and Greenspace Parcel”). The Parking Lot and Greenspace Parcel will be the represent almost the entirety of the Parking Lot and Greenspace, with the balance of the Parking Lot and Greenspace being the portion of Parcel No. 6763392 whereupon the HQ Building is located that is currently used for parking.

- 3) Transfers to City – Subsequent to the split and combination of parcels as set forth above, County will transfer to the City, as separate parcels, the Parking Lot and Greenspace Parcel, the R&D Building Parcel and Building 2. Concurrently, the DFA will transfer to the City Unit A and Unit B, inclusive of all interests in the Common Area of the HQ Building.
- 4) Transfers to DFA – Immediately following the transfer of ownership of the Parking Lot and Greenspace Parcel, the R&D Building Parcel and Building 2 from the County to the City and the transfer of Unit A, Unit B, and the Common Area of the HQ Building from the DFA to the City, the City will transfer the Parking Lot and Greenspace Parcel, the R&D Building Parcel, Building 2, and Unit A, Unit B, and the Common Area of the HQ Building to the DFA, as separate parcels, as set forth on Appendix A.
- 5) Purchase by Smithers – Following the transfer from the City of Unit A, Unit B, and the Common Area of the HQ Building, the Parking Lot and Greenspace Parcel, the R&D Building Parcel, and Building 2 to the DFA, the DFA shall sell to Smithers Unit B of the HQ Building and the R&D Building Parcel for the sum of \$750,000, pursuant to a real estate sales agreement that shall be entered into between the

DFA and Smithers upon terms customary in the Greater Akron market, and which shall close upon the Closing.

- 6) Capital Lease – Following the purchase of Unit B of the HQ Building and the R&D Building Parcel, Smithers shall transfer the same to the DFA, which shall subsequently enter into a capital lease with Smithers, pursuant to the further terms set forth below, whereby the DFA will lease to Smithers Unit B and the R&D Building Parcel for a term of 15.33 years, commencing upon the date of Closing (“Capital Lease”). Note that more than one capital lease with the DFA (one for each building) may be necessary to accrue all of the estimated sales tax savings as determined by DFA bond counsel. At the end of the term of the Capital Lease, the DFA will transfer all of its interest in each of Unit B and the R&D Building to Smithers for \$100.00.
- 7) Lease of Unit A – DFA will enter into a triple-net lease agreement with Akron Children’s Hospital for floors B, 1 and 2 of Unit A of the HQ Building for a term of 10 years upon terms and conditions agreed to between the DFA and Akron Children’s Hospital, and approved by Smithers. DFA will also enter into a triple-net lease agreement with Cleveland Clinic Akron General for 3,116 square feet of floor 3 of Unit A for a to-be-determined term of years upon terms and conditions agreed to between the DFA and Cleveland Clinic Akron General, and approved by Smithers.

DFA will enter into a management agreement with Smithers whereby Smithers will manage Unit A and the associated Common Area of the HQ Building, and assume all obligations of the DFA under the leases with Akron Children’s Hospital and Cleveland Clinic Akron General, and, in exchange for the same, DFA will pay to Smithers all rents collected by DFA as a management fee to Smithers. The management agreement will also give Smithers the right to approve the terms of the leases prior to execution of the same.

Upon the expiration of both the Cleveland Clinic Akron General and the Akron Children’s Hospital leases, or upon the early termination thereof, Smithers will pay to DFA the sum of \$100.00, and DFA will transfer Unit A and any interest it has in the Common Area to Smithers by quit claim deed. For the avoidance of doubt, the expiration of each of the Cleveland Clinic Akron General and Akron Children’s Hospital leases may be extended as the result of renewals or amendments from time to time as approved by Smithers.

The lease will provide that the tenants within Unit A will have the right to utilize the Parking Lot and Greenspace for parking and ingress and egress to and from the HQ Building and Unit A, and the easements encumbering the Parking Lot and Greenspace, as set forth below, will contain provisions allowing the tenants of Unit A to do the same.

- 8) Use of the Parking Lot and Greenspace and the Building 2 Parking Lot – At Closing, DFA shall file an easement encumbering the Parking Lot and Greenspace Parcel and Building 2, which will become the Building 2 Parking Lot, for the benefit of Smithers and all successors in interest of Unit B of the HQ Building and the R&D Building, whereby Smithers and its successors will have the right and obligation to access, ingress and egress over and upon, generally use, maintain, and pay the costs of maintenance, taxes and assessments, the Parking Lot and Greenspace and the Building 2 Parking Lot. Said easement will further reserve to the DFA, as the owner of Unit A, the right to concurrently utilize the Parking Lot and Greenspace for any tenants of Unit A of the HQ Building. Upon the expiration of the Capital Lease, Smithers will pay to DFA the sum of \$100.00, and the DFA will transfer the Parking Lot and Greenspace Parcel and the Building 2 Parking Lot to Smithers by quit claim deed.

At Closing, DFA will grant two simultaneous easements to the City, one of which will encumber the Building 2 Parking Lot (the “Building 2 Parking Lot Easement”) and the Parking Lot and Greenspace

Parcel and the portion of Parcel No. 6763392, whereupon the HQ Building is situated, that is used as part of the Parking Lot and Greenspace (the "Parking Lot and Greenspace Easement").

The Building 2 Parking Lot Easement will grant the City the ability to use the Building 2 Parking Lot for public parking for any City Scheduled Event, defined as any event or use identified on a Schedule of Anticipated Events, which will be provided by the City to Smithers at least every six months, and which will identify all proposed uses by the public. The Schedule of Anticipated Events may be objected to by Smithers in its reasonable discretion, and in such event Smithers and the City will work in good faith to resolve any objections. The City may add additional City Scheduled Events to those not identified on the Schedule of Anticipated Events by providing Smithers 10-day notice of the same, but any such additional City Scheduled Events are subject to the approval of Smithers, which shall not be unreasonably withheld, conditioned or delayed. All City Scheduled Events will not coincide with normal business hours of Smithers, which is defined as 6am to 6pm, unless approved by Smithers in its sole discretion. The City will be responsible for removing any trash or debris left during any City Scheduled Event to the extent not left by the staff or invitees of Smithers, and will be responsible for repairing any damage or destruction caused by the use of the Building 2 Parking Lot, pursuant to the Building 2 Parking Lot Easement. In using the Building 2 Parking Lot pursuant to the Building 2 Parking Lot Easement, the City will make accommodations for the staff of Smithers that will be utilizing the Building 2 Parking Lot during any City Scheduled Event. The easement will run for a period of twenty (20) years commencing upon Closing.

The Parking Lot and Greenspace Easement will grant the City the ability to use the parking portions and greenspace portions of the Parking Lot and Greenspace for any City Scheduled Event, defined as any event or use identified on a Schedule of Anticipated Events, which will be provided by the City to Smithers at least every six months, and which will identify all proposed uses by the public. The Schedule of Anticipated Events that requires the use of the parking portions of the Parking Lot and Greenspace may be objected to by Smithers in its reasonable discretion. The Schedule of Anticipated Events that requires the use of the greenspace portions of the Parking Lot and Greenspace may be objected to by Smithers in its sole discretion. In the event the objection concerns the use of the parking portions of the Parking Lot and Greenspace, Smithers and the City will work in good faith to resolve any objections. In the event the objection concerns the greenspace portions of the Parking Lot and Greenspace, the City will not use the same for the City Scheduled Event. The City may add additional City Scheduled Events to those not identified on the Schedule of Anticipated Events by providing Smithers 10-day notice of the same. Any such additional City Scheduled Events requiring the use of the parking portions of the Parking Lot and Greenspace are subject to the approval of Smithers, which shall not be unreasonably withheld, conditioned or delayed. Any such additional City Scheduled Events requiring the use of the greenspace portions of the Parking Lot and Greenspace are subject to the approval of Smithers, in its sole discretion. All City Scheduled Events will not coincide with normal business hours of Smithers, which is defined as 6am to 6pm, unless approved by Smithers in its sole discretion. The City will be responsible for removing any trash or debris left during any City Scheduled Event not left by the staff or invitees of Smithers, and will be responsible for repairing any damage or destruction caused by use of the Parking Lot and Greenspace, pursuant to the Parking Lot and Greenspace Easement. In using the Parking Lot and Greenspace pursuant to the Parking Lot and Greenspace Easement, the City will make accommodations for the staff of Smithers that will be utilizing the Parking Lot and Greenspace Lot during any City Scheduled Event. The easement will run for a period of twenty (20) years commencing upon Closing.

Smithers shall have the right to review and approve the terms of the Building 2 Parking Lot Easement and the Parking Lot and Greenspace Easement prior to Closing. The easements will be granted to the City as a result of the contribution of the City grant funds, as set forth below. For the avoidance of

doubt, the DFA shall not grant any other easements with respect to the Total Global Project, except as otherwise provided in this term sheet.

- 9) Option for Building 3 – The County will provide Smithers with an Option to Purchase Building 3 from the County at any time up to seven (7) years following the date of Closing. The Option to Purchase will provide that if Smithers exercises its option to purchase Building 3, it may purchase Building 3 for the amount of \$1.00. In consideration of the grant of the option, Smithers will pay the County \$100.00.

III. Financing Summary

The DFA will coordinate the Total Global Project financing package. The following sources of funds are to be provided at Closing, which is expected to be on or before October 31, 2019, or will be reimbursed as identified below:

- 1) DFA will issue \$5,715,000 in Jobs & Investment Bond Fund Bonds (the “HQ Bonds” or “HQ Bond Fund Bonds”) to finance the acquisition of Unit B of the HQ Building and the R&D Building Parcel for the amount of \$750,000, which will be paid to the County at Closing. Issuance costs for the issuance of the HQ Bonds will be approximately \$230,000. The remaining net proceeds of the HQ Bonds, in the amount of \$4,735,000 will be deposited with the Trustee at Closing, and will be transferred to a disbursing agent (the “Disbursing Agent”) and deposited to pay costs of improvements to the HQ Building, R&D Building, Product Test Site, and DFA Capital Lease Fees, all in accordance with the Disbursement Agreement among the DFA, City, Smithers, the Disbursing Agent, the Bond Trustee, and any additional parties (the “Disbursing Agreement”). Repayment of the bonds will be secured by mortgages granted to the Trustee for the benefit of the bondholders, and will encumber Unit A and Unit B of the HQ Building, the Parking Lot and Greenspace Parcel and Building 2/the Building 2 Parking Lot.
- 2) JobsOhio will provide a \$1,000,000 revitalization grant and \$600,000 discretionary grant to pay costs related to the demolition, abatement and removal of the Back Building, demolition, abatement and removal of the Shed Building, and demolition, abatement and removal of Building 2. Said grants will be provided on a reimbursement basis by JobsOhio to DFA. As costs are incurred, Smithers will advance the necessary funds to pay the same per the Construction Agency Agreement, as set forth below, and DFA will obtain reimbursement from JobsOhio through the revitalization grant and discretionary grant and remit such amounts to Smithers.
- 3) The City of Akron will provide a \$2,000,000 grant to be deposited with the Disbursing Agent to pay some of the costs of improvements, including site preparation costs for the land underneath the Back Building to be converted into a portion of the Parking Lot and Greenspace, fill and site improvements for the Building 2 Parking Lot following the demotion, abatement and removal of Building 2, the construction of a necessary retaining wall following the removal of Building 2, improvements and renovations to the Parking Lot and Greenspace, cleaning, repair and painting of the façade and exterior walls of the HQ Building, and other necessary and miscellaneous costs related to the renovation of the HQ Building. Said grant funds will be deposited with the Disbursing Agent at Closing and shall be disbursed to pay the costs set forth herein, and, in particular, all items that cannot be reimbursed by the JobsOhio grant funds.

- 4) FirstEnergy will provide a grant in the amount of \$150,000 to be deposited with the Disbursing Agent to pay for the costs of electrical infrastructure improvements to the HQ Building and the R&D Building. Said grant will be provided on a reimbursement basis.
- 5) The City will provide a Sewer Connection Grant in the amount of \$48,102 to be deposited with the Disbursing Agent to pay for the costs of the extension, lateral and connection of a sanitary sewer line for the R&D Building. Said grant will be provided on a reimbursement basis.

The HQ Building is currently encumbered by a mortgage (the "Existing Bonds Mortgage") securing the repayment of certain bonds issued by the DFA (the "Existing Bonds") in the current outstanding amount of \$5,485,000. Further, the HQ Building is currently encumbered by a mortgage (the "Existing Loan Mortgage") securing the repayment of a certain research and development loan from the State of Ohio in the amount of \$1,315,069 (the "Existing Loan"). On or before Closing, the County will take all actions necessary to satisfy the obligations under the Existing Bonds and the Existing Loan, and satisfy and release the Existing Bonds Mortgage and the Existing Loan Mortgage, and any additional encumbrances on the HQ Building (subject to permitted encumbrances allowed by Smithers).

The DFA, County, City, FirstEnergy and Smithers will enter into a Cooperative Agreement whereby (i) the County will take such actions to defease the Existing Bonds and repay in full the Existing Loan and satisfy and release the Existing Bonds Mortgage and the Existing Loan Mortgage, (ii) the City will agree to deposit the grant proceeds identified in #3, above, with the Disbursing Agent at Closing for distribution pursuant to the Disbursement Agreement, Capital Lease and Construction Agency Agreement, as set forth below, (iii) FirstEnergy will agree to provide, on a reimbursement basis, the grant proceeds identified in #4, above, which will be deposited with the Disbursing Agent upon evidence of costs incurred, and (iv) the City will agree to provide, on a reimbursement basis, the grant proceeds identified in #5, above, which will be deposited with the Disbursing Agent upon evidence of costs incurred. For the grants that will be contributed on a reimbursement basis, the terms of the Disbursement Agreement, Capital Lease and Construction Agency agreement shall govern the advance of funds and reimbursement process.

The Cooperative Agreement will further require Smithers to maintain Substantial Business Operations (as hereinafter defined) at the Total Global Project Site. If Smithers fails to maintain such Substantial Business Operations, the City may seek to recover from Smithers a pro-rata portion of the grant identified in #3, above, from the City equivalent to 1/5th of the number of years remaining from the year in which Smithers fails to maintain Substantial Business Operations through December 31, 2025. Notwithstanding the foregoing, the City agrees to use reasonable discretion to waive non-compliance if, in writing, Smithers submits to the City a description of Market Conditions and Other Factors (as hereinafter defined) regarding Smithers and its operations at the Total Global Project site to justify its failure to maintain Substantial Business Operation. The City will review and consider such Market Conditions and Other Factors submitted to determine if Smithers' failure to meet Substantial Business Operations is, within the determination of the City, due to Market Conditions and Other Factors. If the City makes such determination, the City may waive repayment of all or a portion of the grants disbursed.

For the purposes of this Term Sheet:

"Substantial Business Operations" means: (i) retaining 111 existing jobs at the Total Global Project site Product Testing Site with an associated baseline payroll for the previous 12-month period of \$9,400,000, exclusive of benefits, through December 31, 2025; and (ii) creating 50 new jobs at the Total Global Project site with an associated created payroll of \$3,500,000, exclusive of benefits, by December 31, 2023.

"Market Conditions and Other Factors" means, without limitation: an overall decline in economic performance, as a whole or in Smithers' relevant sector; if Smithers is sold, whether Smithers obtains a written

agreement of a purchaser of the business at the Total Global Project site to assume the job creation and retention obligations set in the definition of Substantial Business Operations; whether legal or regulatory changes adversely affect Smithers' business and its ability to maintain Substantial Business Operations; other businesses Smithers attracts to the City; the impact on the City of the Total Global Project; and any other information the City determines in its reasonable judgment to be relevant under the circumstances.

Additionally, the DFA, as the lessor, will enter into the Capital Lease with Smithers, as the lessee, for Unit B of the HQ Building and the R&D Building. The Capital Lease is structured in order to allow state and local sales taxes associated with the purchase of all building materials to be exempt, with these savings accruing to the benefit of the Total Global Project. Additionally, as the DFA will be the owner of the Parking Lot and Greenspace Parcel, all sales taxes associated with the purchase of all building materials will be exempt. The sales tax savings is estimated to be \$455,000, with a benefit to the Total Global Project, net of transaction costs, estimated to be \$365,000. Lease payments in accordance with the Capital Lease will be equal to the payment of debt service on the HQ Bonds, plus customary administrative expenses of the DFA and the Bond Fund.

Pursuant to the Capital Lease, DFA will be required to make certain improvements to Unit B of the HQ Building, the HQ Building Common Areas and the R&D Building, as well as the Parking Lot and Greenspace and Building 2/the Building 2 Parking Lot, as set forth in Appendix B. The DFA and Smithers will enter into a Construction Agency Agreement whereby Smithers will serve as DFA's agent to make such improvements, and which will require Smithers to make all improvements. The Capital Lease will require Smithers to deposit cash with the Disbursing Agent, or provide evidence of a construction loan, at the time of Closing in the amount of \$6,925,000 and will further provide for the disbursement of all other funds and contributions by the Disbursing Agent for the purpose of constructing the improvements. For any grant contribution that is reimbursement-based, Smithers will advance the necessary funds on behalf of the DFA to make improvements, and subsequently be reimbursed for the same by DFA, through the Disbursing Agent, after the proceeds of the reimbursable grants are deposited with the Disbursing Agent. The Capital Lease and Construction Agency Agreement will also require Smithers to fund any additional Total Global Project improvement costs shortfalls not funded by a contribution of one of the other parties.

The Capital Lease and Construction Agency Agreement will further require Smithers to construct the R&D Building at the Project Site of a total square footage of at least 25,000 square feet, and to obtain a certificate of occupancy for the same, no later than December 31, 2022 ("R&D Building Completion Due Date"). In the event Smithers fails to do so for any reason other than force majeure, as defined below, then Smithers shall pay to the County the amount of \$1,254,880.64 ("R&D Building Contingency Payment"). The R&D Building Contingency Payment is calculated by dividing the amount of \$6,258,129.30 (the expected increase in taxable value of the R&D Building Parcel, which is calculated as 90% of the expected R&D Building construction costs) by the amount of \$9,226,008.30 (the expected increase in taxable value of the Project Site, which is calculated as 90% of the expected R&D Building construction costs, plus 50% of the expected costs of construction for the HQ Building, excluding therefrom demolition and abatement costs, plus 50% of the expected costs of construction for the Parking Lot and Greenspace, excluding therefrom demolition and abatement costs), and then multiplying the quotient by \$1,850,000. If pursuant to the terms of this paragraph, Smithers is obligated to pay to the County the R&D Building Contingency Payment, it may elect to pay the same as one lump sum payment, due no later than the 60th date after the R&D Building Completion Due Date, or it may elect, by providing written notice to the County of its election, to pay the same in ten equal annual installments, with the first installment being paid to the County no later than the 60th date after the R&D Building Completion Due Date, and continuing annually thereafter on the anniversary thereof until paid in full. Provided, however, that if Smithers constructs the R&D Building at the Project Site of a total square footage of at least 25,000 square feet, and obtains a certificate of occupancy at some point after December 31, 2022, it shall not be required to pay the then-outstanding balance of the R&D Building Contingency, but shall also have no claim to reimbursement of any portion of the R&D Building Contingency already paid. In the event of a force majeure,

the parties will negotiate in good faith to extend the R&D Building Completion Date to their mutual satisfaction.

For the purposes of this section, force majeure shall mean an event beyond the control of Smithers, which prevents Smithers from timely constructing the R&D Building at the Project Site of a total square footage of at least 25,000 square feet, and obtaining a certificate of occupancy for the same prior to the R&D Building Completion Due Date, including but not limited to an act of God (such as, but not limited to, fires, explosions, earthquakes, drought, tidal waves and floods); war, hostilities (whether war be declared or not), invasion, act of foreign enemies, mobilisation, requisition, or embargo; rebellion, revolution, insurrection, or military or usurped power, or civil war; contamination by radio-activity from any nuclear fuel, or from any nuclear waste from the combustion of nuclear fuel, radio-active toxic explosive, or other hazardous properties of any explosive nuclear assembly or nuclear component of such assembly; riot, commotion, strikes, go slows, lock outs or disorder, unless solely restricted to employees of Smithers; or acts or threats of terrorism.

The City will adopt an appropriate Tax Increment Financing ("TIF") Ordinance pursuant to Section 5709.41 of the Ohio Revised Code establishing a TIF for Unit B, the R&D Building, and the Parking Lot and Greenspace for a term of 30 years, commencing in calendar year 2022 (tax year 2021), and continuing until calendar year 2051. Smithers will make service payments in lieu of real property taxes semi-annually in the same manner as the payment of real property taxes that would otherwise be assessed on Unit B of the HQ Building, the R&D Building and the Parking Lot and Greenspace for the increased value resulting from the improvements to the same. Once paid to the Summit County Fiscal Officer, those TIF service payments will be remitted to the City, less a 2% administrative fee, and the City will then remit the same to the County by the 1st of May and the 1st of October, annually, less an additional 2% City administrative fee. The TIF service payments are being paid to the County in exchange for the County satisfying the Existing Bonds and the Existing Loan, and the County will retain all net proceeds of the service payments, and may use the same in its sole discretion.

IV. Summary Sources and Uses of Funds

Total Global Project Sources and Uses of Funds (Estimated)

Sources of Funds

DFA Taxable HQ Bonds	\$5,715,000
City of Akron Grant	\$2,000,000
FirstEnergy Grant	\$150,000
JobsOhio Revitalization Grant	\$1,000,000
JobsOhio Discretionary Grant	\$600,000
City of Akron Sewer Connection Grant	\$48,102
Sales Tax Exemption	\$455,000
<u>Smithers Contribution</u>	<u>\$6,925,000</u>

Total Global Project Sources	\$16,893,102
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Uses of Funds

HQ Bldg/Unit B & R&D Building Purchase	\$750,000
HQ Bonds Issuance Costs	\$230,000
HQ Building and R&D Building Construction	\$4,931,054

R&D Building Construction	\$6,953,477
HQ Building Façade Clean and Repair	\$234,961
Paint HQ Building South and East Façade	\$51,957
Back Building Demolition and Abatement	\$216,547
Back Building Site Prep	\$228,924
Building 2 Demo and Abatement	\$797,287
Building 2 Fill and Site Improvements	\$191,064
Building 2 Retaining Wall	\$290,964
Shed Building Demolition and Abatement	\$608,755
Shed Building Site Prep	\$199,773
Parking Lot Renovations	\$504,358
Green Spaces	\$121,981
Fire/IT	\$275,000
DFA Capital Lease Fees	\$90,000
Owners Project Budget	\$167,000
<u>Relocate Backup Generator</u>	<u>\$50,000</u>
Total Global Project Uses	\$16,893,102

HQ - DFA HQ Bond Fund Bonds Sources and Uses of Funds

Sources of Funds

DFA Taxable Bond Fund Bonds	\$ 5,715,000
<u>Letter of Credit</u>	<u>\$ —</u>
Total HQ Sources	\$ 5,715,000

Uses of Funds

Building Purchase	\$ 750,000
New construction	\$ 4,745,000
Capital Lease Fees	\$ 90,000
<u>Cost of Issuance¹</u>	<u>\$ 230,000</u>
Total HQ Uses	\$ 5,715,000

V. Preliminary Terms of the DFA Capital Lease with Smithers

Lender/Lessor:	Development Finance Authority of Summit County, Jobs & Investment Bond Fund.
Lessee:	The Smithers Group, Inc. or an affiliate of Smithers
Corporate Guarantors of Lease:	The Smithers Group, Inc.

¹ Includes all costs of issuance in connection with the DFA HQ Bonds, including the initial DFA, trustee and disbursing agent fees, rating agency fees, and bond, issuer, and placement agent counsel fees.

Term of the Lease:	Approximately 15 years with final maturity on November 15, 2034.
Estimated Closing Date:	October 31, 2019.
Lease Payment Dates:	Monthly, on the first day of each month, commencing December 1, 2019.
Estimated Average Monthly Lease Payment:	December 1, 2019 through February 1, 2020 = \$25,202.62 March 1, 2020 through November 1, 2034 = \$45,791
Lease Payment Schedule:	Please see Appendix C.
Interest Only Period:	Estimated to be approximately 3 months, from the date of Closing through February 1, 2020.
Annual DFA Administrative Fee:	0.50% on outstanding HQ Bond amount from time to time.
Annual HQ Bond Trustee Fee:	0.06% on outstanding HQ Bond amount, or \$1,250 per year whichever is greater.
Required 10% Lease Security Deposit/Bond Debt Service Reserve:	Bond Debt Service Reserve in the amount of 10% of the original par amount of the DFA HQ Bonds will be funded by Smithers with cash or a qualified Letter of Credit. Based upon the assumptions made within this Preliminary Financing Term Sheet, the anticipated reserve amount will be \$571,500.
Prepayment of the DFA Lease:	Subject to a make-whole calculation.

VI. Other Preliminary Terms of the DFA HQ Bond Fund Bonds

Bond Amortization:	15 years, fully amortized from May 15, 2020 payment through the maturity of the HQ Bonds, or the November 15, 2034 payment date.
Bond Amount:	\$5,715,000
Estimated Closing Date:	October 31, 2019

Bond Term:	Approximately 15 years with a final maturity of November 15, 2034
Bond Interest Rate:	The interest rate for the DFA Loan is estimated to be 4.35%. <i>This is an estimate and may change prior to closing subject to market conditions.</i>
Bond Average Life:	8.78 years
Interest Only Period:	Estimated to be approximately 3 months, from the date of Closing through February 1, 2020.
Bond Amortization:	Fully amortized on a semi-annual basis.
Bond Repayment Schedule:	Please see Appendix D
Security for the HQ Bond:	The DFA will record a first mortgage on Unit A of the HQ Building, the Parking Lot and Greenspace, and the Building 2 Parking Lot, and Smithers will grant a first mortgage on Unit B, each in favor of the bond trustee. Assignment of all revenues generated from the management agreement for the management by Smithers of Unit A of the HQ Building.
Bondholder Payment Dates:	May 15 and November 15 of each year.
Prepayment of the DFA Lease:	Subject to a make-whole calculation.
Type of Bond/Tax Status:	Taxable
Anticipated Rating:	"A-" by S&P Global
Trustee:	U.S. Bank

VII. Closing Requirements of Smithers for the DFA HQ Bond Fund Bonds

- 1) Indemnify DFA for all costs incurred related to the Total Global Project;
- 2) Provide an acceptable Environmental Phase 1 or reliance letter addressed to the DFA for the Total Global Project site;
- 3) Agree to provide best available annual financial statements to DFA within 120 days of its fiscal year end for the Lessee;
- 4) All other sources of funds for the Total Global Project must be secured and acceptable to the DFA;
- 5) Provide cash or a LOC to fund the reserve;

- 6) Smithers agrees to fund any Total Global Project shortfalls with its own equity or third-party financing; and
- 7) All terms are subject to further due diligence.

VIII. Contributions Towards Satellite Product Testing Facility

In addition to the Total Global Project, it is anticipated that Smithers will locate its product testing operations in a facility within the City at a location other than the Project Site ("Product Testing Site"). In the event Smithers acquires or enters into a lease agreement to lease the Product Testing Site no later than the Closing, the County will pay to Smithers, or, in the event of a lease, to Smithers' landlord, the sum of \$640,000 ("Product Test Site Grant") for the costs of the construction, renovation or improvement of the Product Testing Site, including, in the event Smithers leases the Product Testing Site, towards tenant improvement costs of the same. Payment of the Product Test Site Grant by the County is further contingent on Smithers contributing a sum of at least \$175,000.00 towards the cost of the construction, renovation or improvement of the Product Testing Site, including, in the event Smithers leases the Product Testing Site, towards tenant improvement costs of the same.

In the event the County is required to make the Product Test Site Grant, as set forth above, the County and the City will enter into a reimbursement agreement ("Product Test Site Grant Reimbursement Agreement") whereby the City agrees to pay the County ten annual payments by December 1st of each calendar year, commencing December 1, 2020, in accordance with the following schedule:

December 1, 2020: \$25,000
December 1, 2021: \$40,000
December 1, 2022: \$50,000
December 1, 2023: \$60,000
December 1, 2024: \$65,000
December 1, 2025: \$70,000
December 1, 2026: \$75,000
December 1, 2027: \$80,000
December 1, 2028: \$85,000
December 1, 2029: \$90,000

In the event Smithers meets the contingencies set forth above, the County will deliver to Smithers, at the Closing, an agreement providing for the Product Test Site Grant ("Product Test Site Grant Agreement") and payment thereunder to Smithers or its landlord, unless a later date for the payment is agreed to thereunder. In the event the County delivers the Product Test Site Grant Agreement to Smithers at the Closing, the City and County will also enter into and deliver at Closing the Product Test Site Grant Reimbursement Agreement.

IX. Payment of Attorney and Surveyor Fees; Allocation of Costs

The costs of issuance for the DFA HQ Bond Fund Bonds will be paid out of the proceeds of the issuance of those bonds. Smithers will pay the costs of the capital lease, estimated to be \$90,000.00, at Closing, out of the proceeds of the issuance of the DFA HQ Bond Fund Bonds. Additionally, Smithers will pay the legal fees incurred by the DFA in condominiumizing the HQ Building, estimated to be \$10,000.00, and the County and DFA's legal fees in consummating the several real estate transactions pertaining to the Total Global Project, estimated to be \$15,000.00, at Closing. Smithers will pay DFA a Total Global Project closing fee of \$5,000 and an annual administrative fee of \$6,000 paid on January 1 of each year. Finally,

the County will pay any costs associated with the surveying, legal descriptions and plats necessary to consummate the several real estate transactions pertaining to the Total Global Project.

X. Commitment Fee Deposit

By signing below, Smithers as Lessee agrees to the terms and conditions outlined herein and to pay the non-refundable Application Fee of \$5,000 and refundable Commitment Fee Deposit of \$40,000. The Commitment Fee deposit paid can be reimbursed to Smithers or its designee at Closing or applied to financing closing costs. If before the Closing date, there are any substantial changes to the term sheet or Project, the DFA reserves the right to amend the terms of this term sheet. The DFA will not be responsible for any financing costs or breakup fees if the transaction does not close for any reason.

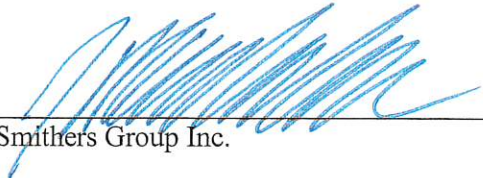
The Lessee has the right to terminate its participation in this term sheet prior to the closing date. However, in the event of termination by the Lessee for any reason, the Lessee will be obligated for any reasonably incurred legal fees, DFA fees and financial advisory fees not covered by the Commitment Fee Deposit.

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Approval and Acceptance

The HQ Bond Fund Bond and capital lease transactions are subject to certain approvals by the DFA, DFA Board of Directors, delivery of required legal opinions, final due diligence, final documentation and sale of the DFA HQ Bonds.

This term sheet must be executed and returned to the DFA no later than August 23, 2019. Please indicate your acceptance of the terms herein by signing below.



Smithers Group Inc.

8/27/19
Date



Development Finance Authority of Summit County

8/28/19
Date

The County of Summit

Date

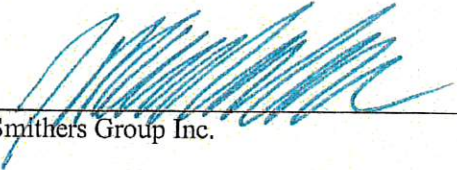
The City of Akron

Date

Approval and Acceptance

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Date



Development Finance Authority of Summit County

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Date



The County of Summit

8/28/19
Date

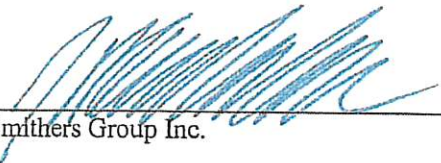
The City of Akron

Date

Approval and Acceptance

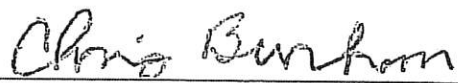
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Smithers Group Inc.

8/27/19
Date



Development Finance Authority of Summit County

8/28/19
Date

The County of Summit

Date



The City of Akron

8/28/19
Date

Appendix A
The Total Global Project Site

Smithers Operations Hub

Current View



MARTIN LUTHER KING BLVD

City-owned
Parcels

Parking Area

ABIA Building (Owned
by the Development
Finance Authority)

Trolley Shed Building

Back Building

Driveway

Building 2
(Owned by
Summit County)

Building 3
(Owned by
Summit County)

N MAIN ST

N MAIN ST

N MAIDEN LN

N HIGH ST

Parcels

Current Parcel Ownership

- Building 2 (Owned by Summit County)
- Building 3 (Owned by Summit County)
- City of Akron
- DFA
- Summit County

***NOTE: Parking Area, Driveway, Back Building, and Trolley Shed Building are all Owned by Summit County**

0 37.5 75 150 225 300 US Feet

Source: Esri,

Smithers Operations Hub Future View



Appendix B
Total Global Project Improvements

Appendix B - Total Global Project Improvements

<u>Front Building - 47 N. Main Street</u>		<u>Renovation Cost</u>
6th Floor - Offices		\$1,837,299
5th Floor - Offices		\$1,778,484
4th Floor- Offices		\$507,782
3rd Floor Renovation Allowance		\$150,000
Reroofing		\$198,360
Façade Cleaning and Repair		\$234,961
Paint Façade		\$51,957
Contractor Adjustment		-\$52,870
Demo and Abatement		\$237,520
Roofing Abatement		\$100,000
Basement Consulting/Forensics		\$174,479
<u>New R&D Building</u>		
Construction Cost		\$6,953,477
<u>Additional Site Work</u>		
Back Building Demo and Abatement		\$216,547
Back Building Site Prep		\$228,924
Middle Building Demo and Abatement		\$608,755
Middle Building Site Prep		\$199,773
Parking Lot Renovations		\$504,358
Green Spaces		\$121,981
<u>Miscellaneous</u>		
Fire/IT		\$275,000
Owners Project Budget		\$167,000
Relocate Backup Generator		\$50,000
<u>Building 2 (Not- Included in TIF)</u>		
Demo and Abatement		\$797,287
Fill and Site Prep		\$191,064
Retaining Wall		\$290,964
<u>Non-Construction Costs</u>		
Property Acquisiton		\$750,000
HQ Bond Issuance Costs		\$230,000
Capital Lease Costs		\$90,000
TOTAL PROJECT COSTS	\$	16,893,102

Appendix C
HQ Bond Fund Bonds
Estimated Borrower's Monthly Payment Schedule

Borrower’s Monthly Payment Schedule

Date	Principal	Interest 4.35%	P&I	Admin Fee 0.5000%	Trustee Fee 0.060%	Capitalized Interest	Liquidation of DS Reserve	Monthly Payment
10/31/19								
12/01/19	\$ -	\$ 22,328.19	\$ 22,328.19	\$ 2,566.46	\$ 307.98	\$ -	\$ -	\$ 25,202.62
01/01/20	-	22,328.19	22,328.19	2,566.46	307.98	-	-	25,202.62
02/01/20	-	22,328.19	22,328.19	2,566.46	307.98	-	-	25,202.62
03/01/20	21,666.67	22,328.19	43,994.85	2,566.46	307.98	-	-	46,869.29
04/01/20	21,666.67	22,328.19	43,994.85	2,566.46	307.98	-	-	46,869.29
05/01/20	21,666.67	22,328.19	43,994.85	2,566.46	307.98	-	-	46,869.29
06/01/20	22,500.00	20,481.25	42,981.25	2,354.17	282.50	-	-	45,617.92
07/01/20	22,500.00	20,481.25	42,981.25	2,354.17	282.50	-	-	45,617.92
08/01/20	22,500.00	20,481.25	42,981.25	2,354.17	282.50	-	-	45,617.92
09/01/20	22,500.00	20,481.25	42,981.25	2,354.17	282.50	-	-	45,617.92
10/01/20	22,500.00	20,481.25	42,981.25	2,354.17	282.50	-	-	45,617.92
11/01/20	22,500.00	20,481.25	42,981.25	2,354.17	282.50	-	-	45,617.92
12/01/20	23,333.33	19,991.88	43,325.21	2,297.92	275.75	-	-	45,898.88
01/01/21	23,333.33	19,991.88	43,325.21	2,297.92	275.75	-	-	45,898.88
02/01/21	23,333.33	19,991.88	43,325.21	2,297.92	275.75	-	-	45,898.88
03/01/21	23,333.33	19,991.88	43,325.21	2,297.92	275.75	-	-	45,898.88
04/01/21	23,333.33	19,991.88	43,325.21	2,297.92	275.75	-	-	45,898.88
05/01/21	23,333.33	19,991.88	43,325.21	2,297.92	275.75	-	-	45,898.88
06/01/21	24,166.67	19,484.38	43,651.04	2,239.58	268.75	-	-	46,159.38
07/01/21	24,166.67	19,484.38	43,651.04	2,239.58	268.75	-	-	46,159.38
08/01/21	24,166.67	19,484.38	43,651.04	2,239.58	268.75	-	-	46,159.38
09/01/21	24,166.67	19,484.38	43,651.04	2,239.58	268.75	-	-	46,159.38
10/01/21	24,166.67	19,484.38	43,651.04	2,239.58	268.75	-	-	46,159.38
11/01/21	24,166.67	19,484.38	43,651.04	2,239.58	268.75	-	-	46,159.38
12/01/21	24,166.67	18,958.75	43,125.42	2,179.17	261.50	-	-	45,566.08
01/01/22	24,166.67	18,958.75	43,125.42	2,179.17	261.50	-	-	45,566.08
02/01/22	24,166.67	18,958.75	43,125.42	2,179.17	261.50	-	-	45,566.08
03/01/22	24,166.67	18,958.75	43,125.42	2,179.17	261.50	-	-	45,566.08
04/01/22	24,166.67	18,958.75	43,125.42	2,179.17	261.50	-	-	45,566.08
05/01/22	24,166.67	18,958.75	43,125.42	2,179.17	261.50	-	-	45,566.08
06/01/22	25,000.00	18,433.13	43,433.13	2,118.75	254.25	-	-	45,806.13
07/01/22	25,000.00	18,433.13	43,433.13	2,118.75	254.25	-	-	45,806.13
08/01/22	25,000.00	18,433.13	43,433.13	2,118.75	254.25	-	-	45,806.13
09/01/22	25,000.00	18,433.13	43,433.13	2,118.75	254.25	-	-	45,806.13
10/01/22	25,000.00	18,433.13	43,433.13	2,118.75	254.25	-	-	45,806.13
11/01/22	25,000.00	18,433.13	43,433.13	2,118.75	254.25	-	-	45,806.13
12/01/22	25,833.33	17,889.38	43,722.71	2,056.25	246.75	-	-	46,025.71
01/01/23	25,833.33	17,889.38	43,722.71	2,056.25	246.75	-	-	46,025.71
02/01/23	25,833.33	17,889.38	43,722.71	2,056.25	246.75	-	-	46,025.71
03/01/23	25,833.33	17,889.38	43,722.71	2,056.25	246.75	-	-	46,025.71
04/01/23	25,833.33	17,889.38	43,722.71	2,056.25	246.75	-	-	46,025.71
05/01/23	25,833.33	17,889.38	43,722.71	2,056.25	246.75	-	-	46,025.71
06/01/23	26,666.67	17,327.50	43,994.17	1,991.67	239.00	-	-	46,224.83
07/01/23	26,666.67	17,327.50	43,994.17	1,991.67	239.00	-	-	46,224.83
08/01/23	26,666.67	17,327.50	43,994.17	1,991.67	239.00	-	-	46,224.83
09/01/23	26,666.67	17,327.50	43,994.17	1,991.67	239.00	-	-	46,224.83
10/01/23	26,666.67	17,327.50	43,994.17	1,991.67	239.00	-	-	46,224.83
11/01/23	26,666.67	17,327.50	43,994.17	1,991.67	239.00	-	-	46,224.83
12/01/23	26,666.67	16,747.50	43,414.17	1,925.00	231.00	-	-	45,570.17
01/01/24	26,666.67	16,747.50	43,414.17	1,925.00	231.00	-	-	45,570.17
02/01/24	26,666.67	16,747.50	43,414.17	1,925.00	231.00	-	-	45,570.17
03/01/24	26,666.67	16,747.50	43,414.17	1,925.00	231.00	-	-	45,570.17
04/01/24	26,666.67	16,747.50	43,414.17	1,925.00	231.00	-	-	45,570.17
05/01/24	26,666.67	16,747.50	43,414.17	1,925.00	231.00	-	-	45,570.17
06/01/24	27,500.00	16,167.50	43,667.50	1,858.33	223.00	-	-	45,748.83
07/01/24	27,500.00	16,167.50	43,667.50	1,858.33	223.00	-	-	45,748.83
08/01/24	27,500.00	16,167.50	43,667.50	1,858.33	223.00	-	-	45,748.83
09/01/24	27,500.00	16,167.50	43,667.50	1,858.33	223.00	-	-	45,748.83
10/01/24	27,500.00	16,167.50	43,667.50	1,858.33	223.00	-	-	45,748.83
11/01/24	27,500.00	16,167.50	43,667.50	1,858.33	223.00	-	-	45,748.83
12/01/24	28,333.33	15,569.38	43,902.71	1,789.58	214.75	-	-	45,907.04
01/01/25	28,333.33	15,569.38	43,902.71	1,789.58	214.75	-	-	45,907.04
02/01/25	28,333.33	15,569.38	43,902.71	1,789.58	214.75	-	-	45,907.04
03/01/25	28,333.33	15,569.38	43,902.71	1,789.58	214.75	-	-	45,907.04
04/01/25	28,333.33	15,569.38	43,902.71	1,789.58	214.75	-	-	45,907.04
05/01/25	28,333.33	15,569.38	43,902.71	1,789.58	214.75	-	-	45,907.04
06/01/25	29,166.67	14,953.13	44,119.79	1,718.75	206.25	-	-	46,044.79
07/01/25	29,166.67	14,953.13	44,119.79	1,718.75	206.25	-	-	46,044.79
08/01/25	29,166.67	14,953.13	44,119.79	1,718.75	206.25	-	-	46,044.79
09/01/25	29,166.67	14,953.13	44,119.79	1,718.75	206.25	-	-	46,044.79
10/01/25	29,166.67	14,953.13	44,119.79	1,718.75	206.25	-	-	46,044.79
11/01/25	29,166.67	14,953.13	44,119.79	1,718.75	206.25	-	-	46,044.79
12/01/25	30,000.00	14,318.75	44,318.75	1,645.83	197.50	-	-	46,162.08
01/01/26	30,000.00	14,318.75	44,318.75	1,645.83	197.50	-	-	46,162.08
02/01/26	30,000.00	14,318.75	44,318.75	1,645.83	197.50	-	-	46,162.08
03/01/26	30,000.00	14,318.75	44,318.75	1,645.83	197.50	-	-	46,162.08
04/01/26	30,000.00	14,318.75	44,318.75	1,645.83	197.50	-	-	46,162.08
05/01/26	30,000.00	14,318.75	44,318.75	1,645.83	197.50	-	-	46,162.08
06/01/26	30,000.00	13,666.25	43,666.25	1,570.83	188.50	-	-	45,425.58
07/01/26	30,000.00	13,666.25	43,666.25	1,570.83	188.50	-	-	45,425.58
08/01/26	30,000.00	13,666.25	43,666.25	1,570.83	188.50	-	-	45,425.58
09/01/26	30,000.00	13,666.25	43,666.25	1,570.83	188.50	-	-	45,425.58
10/01/26	30,000.00	13,666.25	43,666.25	1,570.83	188.50	-	-	45,425.58
11/01/26	30,000.00	13,666.25	43,666.25	1,570.83	188.50	-	-	45,425.58
12/01/26	30,833.33	13,013.75	43,847.08	1,495.83	179.50	-	-	45,522.42
01/01/27	30,833.33	13,013.75	43,847.08	1,495.83	179.50	-	-	45,522.42
02/01/27	30,833.33	13,013.75	43,847.08	1,495.83	179.50	-	-	45,522.42
03/01/27	30,833.33	13,013.75	43,847.08	1,495.83	179.50	-	-	45,522.42
04/01/27	30,833.33	13,013.75	43,847.08	1,495.83	179.50	-	-	45,522.42

Date	Principal	Interest 4.35%	P&I	Admin Fee 0.5000%	Trustee Fee 0.060%	Capitalized Interest	Liquidation of DS Reserve	Monthly Payment
05/01/27	30,833.33	13,013.75	43,847.08	1,495.83	179.50	-		45,522.42
06/01/27	31,666.67	12,343.13	44,009.79	1,418.75	170.25	-		45,598.79
07/01/27	31,666.67	12,343.13	44,009.79	1,418.75	170.25	-		45,598.79
08/01/27	31,666.67	12,343.13	44,009.79	1,418.75	170.25	-		45,598.79
09/01/27	31,666.67	12,343.13	44,009.79	1,418.75	170.25	-		45,598.79
10/01/27	31,666.67	12,343.13	44,009.79	1,418.75	170.25	-		45,598.79
11/01/27	31,666.67	12,343.13	44,009.79	1,418.75	170.25	-		45,598.79
12/01/27	32,500.00	11,654.38	44,154.38	1,339.58	160.75	-		45,654.71
01/01/28	32,500.00	11,654.38	44,154.38	1,339.58	160.75	-		45,654.71
02/01/28	32,500.00	11,654.38	44,154.38	1,339.58	160.75	-		45,654.71
03/01/28	32,500.00	11,654.38	44,154.38	1,339.58	160.75	-		45,654.71
04/01/28	32,500.00	11,654.38	44,154.38	1,339.58	160.75	-		45,654.71
05/01/28	32,500.00	11,654.38	44,154.38	1,339.58	160.75	-		45,654.71
06/01/28	33,333.33	10,947.50	44,280.83	1,258.33	151.00	-		45,690.17
07/01/28	33,333.33	10,947.50	44,280.83	1,258.33	151.00	-		45,690.17
08/01/28	33,333.33	10,947.50	44,280.83	1,258.33	151.00	-		45,690.17
09/01/28	33,333.33	10,947.50	44,280.83	1,258.33	151.00	-		45,690.17
10/01/28	33,333.33	10,947.50	44,280.83	1,258.33	151.00	-		45,690.17
11/01/28	33,333.33	10,947.50	44,280.83	1,258.33	151.00	-		45,690.17
12/01/28	34,166.67	10,222.50	44,389.17	1,175.00	141.00	-		45,705.17
01/01/29	34,166.67	10,222.50	44,389.17	1,175.00	141.00	-		45,705.17
02/01/29	34,166.67	10,222.50	44,389.17	1,175.00	141.00	-		45,705.17
03/01/29	34,166.67	10,222.50	44,389.17	1,175.00	141.00	-		45,705.17
04/01/29	34,166.67	10,222.50	44,389.17	1,175.00	141.00	-		45,705.17
05/01/29	34,166.67	10,222.50	44,389.17	1,175.00	141.00	-		45,705.17
06/01/29	35,000.00	9,479.38	44,479.38	1,089.58	130.75	-		45,699.71
07/01/29	35,000.00	9,479.38	44,479.38	1,089.58	130.75	-		45,699.71
08/01/29	35,000.00	9,479.38	44,479.38	1,089.58	130.75	-		45,699.71
09/01/29	35,000.00	9,479.38	44,479.38	1,089.58	130.75	-		45,699.71
10/01/29	35,000.00	9,479.38	44,479.38	1,089.58	130.75	-		45,699.71
11/01/29	35,000.00	9,479.38	44,479.38	1,089.58	130.75	-		45,699.71
12/01/29	35,833.33	8,718.13	44,551.46	1,002.08	120.25	-		45,673.79
01/01/30	35,833.33	8,718.13	44,551.46	1,002.08	120.25	-		45,673.79
02/01/30	35,833.33	8,718.13	44,551.46	1,002.08	120.25	-		45,673.79
03/01/30	35,833.33	8,718.13	44,551.46	1,002.08	120.25	-		45,673.79
04/01/30	35,833.33	8,718.13	44,551.46	1,002.08	120.25	-		45,673.79
05/01/30	35,833.33	8,718.13	44,551.46	1,002.08	120.25	-		45,673.79
06/01/30	36,666.67	7,938.75	44,605.42	912.50	109.50	-		45,627.42
07/01/30	36,666.67	7,938.75	44,605.42	912.50	109.50	-		45,627.42
08/01/30	36,666.67	7,938.75	44,605.42	912.50	109.50	-		45,627.42
09/01/30	36,666.67	7,938.75	44,605.42	912.50	109.50	-		45,627.42
10/01/30	36,666.67	7,938.75	44,605.42	912.50	109.50	-		45,627.42
11/01/30	36,666.67	7,938.75	44,605.42	912.50	109.50	-		45,627.42
12/01/30	37,500.00	7,141.25	44,641.25	820.83	104.17	-		45,566.25
01/01/31	37,500.00	7,141.25	44,641.25	820.83	104.17	-		45,566.25
02/01/31	37,500.00	7,141.25	44,641.25	820.83	104.17	-		45,566.25
03/01/31	37,500.00	7,141.25	44,641.25	820.83	104.17	-		45,566.25
04/01/31	37,500.00	7,141.25	44,641.25	820.83	104.17	-		45,566.25
05/01/31	37,500.00	7,141.25	44,641.25	820.83	104.17	-		45,566.25
06/01/31	38,333.33	6,325.63	44,658.96	727.08	104.17	-		45,490.21
07/01/31	38,333.33	6,325.63	44,658.96	727.08	104.17	-		45,490.21
08/01/31	38,333.33	6,325.63	44,658.96	727.08	104.17	-		45,490.21
09/01/31	38,333.33	6,325.63	44,658.96	727.08	104.17	-		45,490.21
10/01/31	38,333.33	6,325.63	44,658.96	727.08	104.17	-		45,490.21
11/01/31	38,333.33	6,325.63	44,658.96	727.08	104.17	-		45,490.21
12/01/31	39,166.67	5,491.88	44,658.54	631.25	104.17	-		45,393.96
01/01/32	39,166.67	5,491.88	44,658.54	631.25	104.17	-		45,393.96
02/01/32	39,166.67	5,491.88	44,658.54	631.25	104.17	-		45,393.96
03/01/32	39,166.67	5,491.88	44,658.54	631.25	104.17	-		45,393.96
04/01/32	39,166.67	5,491.88	44,658.54	631.25	104.17	-		45,393.96
05/01/32	39,166.67	5,491.88	44,658.54	631.25	104.17	-		45,393.96
06/01/32	40,833.33	4,640.00	45,473.33	533.33	104.17	-		46,110.83
07/01/32	40,833.33	4,640.00	45,473.33	533.33	104.17	-		46,110.83
08/01/32	40,833.33	4,640.00	45,473.33	533.33	104.17	-		46,110.83
09/01/32	40,833.33	4,640.00	45,473.33	533.33	104.17	-		46,110.83
10/01/32	40,833.33	4,640.00	45,473.33	533.33	104.17	-		46,110.83
11/01/32	40,833.33	4,640.00	45,473.33	533.33	104.17	-		46,110.83
12/01/32	41,666.67	3,751.88	45,418.54	431.25	104.17	-		45,953.96
01/01/33	41,666.67	3,751.88	45,418.54	431.25	104.17	-		45,953.96
02/01/33	41,666.67	3,751.88	45,418.54	431.25	104.17	-		45,953.96
03/01/33	41,666.67	3,751.88	45,418.54	431.25	104.17	-		45,953.96
04/01/33	41,666.67	3,751.88	45,418.54	431.25	104.17	-		45,953.96
05/01/33	41,666.67	3,751.88	45,418.54	431.25	104.17	-		45,953.96
06/01/33	42,500.00	2,845.63	45,345.63	327.08	104.17	-		45,776.88
07/01/33	42,500.00	2,845.63	45,345.63	327.08	104.17	-		45,776.88
08/01/33	42,500.00	2,845.63	45,345.63	327.08	104.17	-		45,776.88
09/01/33	42,500.00	2,845.63	45,345.63	327.08	104.17	-		45,776.88
10/01/33	42,500.00	2,845.63	45,345.63	327.08	104.17	-		45,776.88
11/01/33	42,500.00	2,845.63	45,345.63	327.08	104.17	-		45,776.88
12/01/33	43,333.33	1,921.25	45,254.58	220.83	104.17	-		45,579.58
01/01/34	43,333.33	1,921.25	45,254.58	220.83	104.17	-		45,579.58
02/01/34	43,333.33	1,921.25	45,254.58	220.83	104.17	-		45,579.58
03/01/34	43,333.33	1,921.25	45,254.58	220.83	104.17	-		45,579.58
04/01/34	43,333.33	1,921.25	45,254.58	220.83	104.17	-		45,579.58
05/01/34	43,333.33	1,921.25	45,254.58	220.83	104.17	-		45,579.58
06/01/34	45,000.00	978.75	45,978.75	112.50	104.17	-		46,195.42
07/01/34	45,000.00	978.75	45,978.75	112.50	104.17	-		46,195.42
08/01/34	45,000.00	978.75	45,978.75	112.50	104.17	-		46,195.42
09/01/34	45,000.00	978.75	45,978.75	112.50	104.17	-		46,195.42
10/01/34	45,000.00	978.75	45,978.75	112.50	104.17	-		46,195.42
11/01/34	45,000.00	978.75	45,978.75	112.50	104.17	-		46,195.42
\$	5,715,000.00	\$ 2,182,384.13	\$ 7,897,384.13	\$ 250,848.75	\$ 32,362.85	\$ -	\$ -	\$ 8,180,595.72

Appendix D
HQ Bond Fund Bonds
Bondholder Payment Schedule

Bondholder Debt Service Payment Schedule

Bondholder Payment Date	Principal	Interest 4.350%	Admin Fee 0.5000%	Trustee Fee 0.060%	Semiannual Debt Service	Outstanding Balance
10/31/19						\$ 5,715,000.00
05/15/20	\$ 65,000.00	\$ 133,969.13	\$ 15,478.13	\$ 1,857.38	\$ 216,304.63	5,650,000.00
11/15/20	135,000.00	122,887.50	14,125.00	1,695.00	273,707.50	5,515,000.00
05/15/21	140,000.00	119,951.25	13,787.50	1,654.50	275,393.25	5,375,000.00
11/15/21	145,000.00	116,906.25	13,437.50	1,612.50	276,956.25	5,230,000.00
05/15/22	145,000.00	113,752.50	13,075.00	1,569.00	273,396.50	5,085,000.00
11/15/22	150,000.00	110,598.75	12,712.50	1,525.50	274,836.75	4,935,000.00
05/15/23	155,000.00	107,336.25	12,337.50	1,480.50	276,154.25	4,780,000.00
11/15/23	160,000.00	103,965.00	11,950.00	1,434.00	277,349.00	4,620,000.00
05/15/24	160,000.00	100,485.00	11,550.00	1,386.00	273,421.00	4,460,000.00
11/15/24	165,000.00	97,005.00	11,150.00	1,338.00	274,493.00	4,295,000.00
05/15/25	170,000.00	93,416.25	10,737.50	1,288.50	275,442.25	4,125,000.00
11/15/25	175,000.00	89,718.75	10,312.50	1,237.50	276,268.75	3,950,000.00
05/15/26	180,000.00	85,912.50	9,875.00	1,185.00	276,972.50	3,770,000.00
11/15/26	180,000.00	81,997.50	9,425.00	1,131.00	272,553.50	3,590,000.00
05/15/27	185,000.00	78,082.50	8,975.00	1,077.00	273,134.50	3,405,000.00
11/15/27	190,000.00	74,058.75	8,512.50	1,021.50	273,592.75	3,215,000.00
05/15/28	195,000.00	69,926.25	8,037.50	964.50	273,928.25	3,020,000.00
11/15/28	200,000.00	65,685.00	7,550.00	906.00	274,141.00	2,820,000.00
05/15/29	205,000.00	61,335.00	7,050.00	846.00	274,231.00	2,615,000.00
11/15/29	210,000.00	56,876.25	6,537.50	784.50	274,198.25	2,405,000.00
05/15/30	215,000.00	52,308.75	6,012.50	721.50	274,042.75	2,190,000.00
11/15/30	220,000.00	47,632.50	5,475.00	657.00	273,764.50	1,970,000.00
05/15/31	225,000.00	42,847.50	4,925.00	625.00	273,397.50	1,745,000.00
11/15/31	230,000.00	37,953.75	4,362.50	625.00	272,941.25	1,515,000.00
05/15/32	235,000.00	32,951.25	3,787.50	625.00	272,363.75	1,280,000.00
11/15/32	245,000.00	27,840.00	3,200.00	625.00	276,665.00	1,035,000.00
05/15/33	250,000.00	22,511.25	2,587.50	625.00	275,723.75	785,000.00
11/15/33	255,000.00	17,073.75	1,962.50	625.00	274,661.25	530,000.00
05/15/34	260,000.00	11,527.50	1,325.00	625.00	273,477.50	270,000.00
11/15/34	270,000.00	5,872.50	675.00	625.00	277,172.50	0.00
Totals	\$ 5,715,000.00	\$ 2,182,384.13	\$ 250,928.13	\$ 32,372.38	\$ 8,180,684.63	

