



CITY OF FRANKLIN

DEPARTMENT OF COMMUNITY DEVELOPMENT

Staff Report

To: Economic Development Commission Members

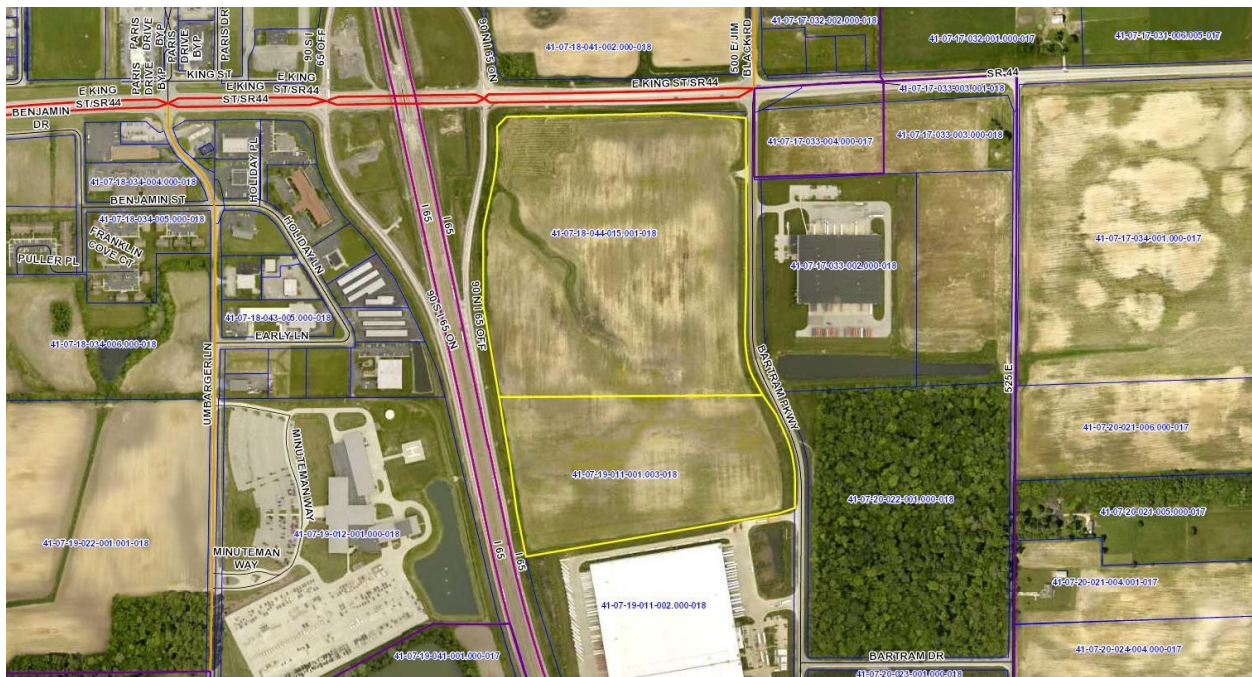
From: Krista Linke, Director

Date: October 6, 2017

Re: Case EDC 2017-09 – Sunbeam Development

Case EDC 2017-09 – Sunbeam Development: A request for a 10-year tax abatement on \$18,000,000 in real property investment for the construction of a 600,000 square foot modern bulk building facility expandable up to 1,000,000 square feet.

Location: Franklin Tech Park – 500 Bartram Parkway



Summary:

- Characteristics of this location:
Franklin Tech Park: 43.6172 acres and 18.93 acres, 62.5472 total.
- Characteristics of this petitioner:
Sunbeam Development Corporation and affiliate companies own and manage a diverse portfolio of real estate primarily located in Indiana and Florida. Developments include suburban office parks,

light industrial parks and shopping centers. Sunbeam typically buys large tracts of land in growth areas and provides the funding and expertise for the infrastructure to support a major development.

Sunbeam began investing in Indianapolis real estate in 1967 and has expanded into several multi-million dollar developments including quality office, retail and industrial properties. Our most visible holdings in Indianapolis include the 1,000 acre Exit Five Development in Fishers which has absorbed over 1.5 million square feet of office and industrial space since its inception in 1988, six shopping centers in Castleton that feature such anchor tenants as Weekends Only, Joann Etc., Gander Mountain and Costco, and the new 685 acre development, I-70 West Commerce Park, which is already home to more than 2 million square feet of modern bulk distribution business including Chewy.com.

Sunbeam operates in two business sectors – – broadcasting and real estate. The parent company, Sunbeam Television, headquartered in Miami, Florida owns WSVN-TV in Miami and WHDH-TV in Boston. Our largest development in Florida, Miramar Park of Commerce, is a 2,500 acre mixed use development on the Dade and Broward County lines where we have developed over two million square feet in the past eight years.

The expressed goal of Sunbeam is to develop and own quality income producing commercial properties. Our long range investment perspective is to own high quality developments supported by quality, on-site management teams.

3. Characteristics of this project:

The property is currently vacant and Sunbeam Development will purchase the property from Franklin Tech Park Associates LLC. Sunbeam Development is building a 600,000 square foot speculative building that is expandable up to 1,000,000 square feet. The approval of a tax abatement will help them to actively market the property.

4. Economic Revitalization Area (ERA):

This property has been previously designated an ERA through City Council Resolutions 2001-28 and 2001-32, but it expired in January 2017. A new ERA designation needs to be approved.

5. ERA & Tax Abatements Findings (Real Property):

Indiana Code Section 6-1.1-12.1-3 states that the following findings must be made when considering an ERA designation and the granting of a tax abatement for real property:

- a. Whether the estimate of the value of the development or rehabilitation is reasonable for projects of that nature;
- b. Whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed redevelopment or rehabilitation;
- c. Whether the estimate of annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed redevelopment or rehabilitation;
- d. Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed redevelopment or rehabilitation; and

e. Whether the totality of the benefits is sufficient to justify the tax abatement.

6. City of Franklin "Tax Abatement Policy" criteria:

The "Tax Abatement Policy" section of the *City of Franklin Community Investment Incentives Summary* states that the Economic Development Commission shall use certain criteria when considering a request for tax abatement. A comparison of those criteria and this request follows:

- a. *Diversification of Local Occupations:* Without an end user there can be no analysis of the diversification of local occupations, however it is certain that the end user of this facility will be either an existing company in Franklin or a new company which will either further diversify or strengthen the types of occupations within the community.
- b. *Diversification of Local Employment:* Without doubt there will be a significant number of jobs associated with the successful buildout of this sizeable property. It remains to be seen exactly the number. Subsequent tax abatement applications will have employment data tied to them for compliance purposes. This abatement will assist in marketing the project until it is sold.
- c. *Increase in Local Salaries:* The average wage for all industries in Johnson County for the first quarter of 2012 was \$14.98. The average hourly wage in Johnson County for the manufacturing sector is \$23.14 per hour. It is the hope of Sunbeam Development to attract an end user that will have higher than average paid employees. Subsequent tax abatement on the build out of the property will be offered as incentives to attract an end user and the length of that abatement will be determined by the number of jobs and average hourly wage.
- d. *Sustainable Land Use:* The petitioner proposes to make this investment on two vacant parcels in the Franklin Tech Park.
- e. *Future Community Investment:* The applicant should share with the EDC their plans for future community investment and whether or not they are agreeable to the Economic Development Fee.
- f. *Conformance with the Comprehensive Plan:* The Comprehensive Plan - Future Land Use Plan identifies this property at the north end as a Regional Activity Center and Light Industrial. The property was rezoned so that both parcels were entirely zoned Light Industrial. Light industrial areas include a variety of employment and production facilities. Uses in this area may include warehouses, distribution centers, assembly facilities, technology centers, research and manufacturing facilities, professional offices. Light industrial areas are distinguished from manufacturing areas in that manufacturing areas focus on the manipulation of unfinished products and raw materials. Light Industrial facilities generally do not produce emissions of light, heat, sound, vibration, or odor and are completely contained within buildings. Some limited outdoor storage of finished products may occur. Light Industrial areas may also include facilities which are complimentary to their role as employment centers.

The property is zoned IL, Industrial: Light. The "IL", Industrial: Light zoning district is intended to provide locations for light production, assembly, warehousing, research & development facilities, and similar land uses. This district is intended to accommodate only industrial uses that are completely contained within structures and do not involve the outdoor storage of

materials or the release of potential environmental pollutants. This district should be used to support industrial retention and expansion in Franklin.

7. Tax Abatement Duration:

The *City of Franklin Community Investment Incentives Summary* provides that longer periods of abatement on real and personal property may be considered for requests of an exceptional nature. The Summary states that development examples of an exceptional nature include projects which:

- a. Create a new plant or product line for an existing manufacturer;
- b. Creates substantial employment opportunities with higher than average wages;
- c. Increase substantially property values and the city tax base with minimal impact to city services (police & fire protection, schools, utilities, infrastructure, etc.); and
- d. Utilize existing public infrastructure (sanitary & storm sewer, roads & streets, drainage facilities, and other utilities).

8. Requested Effective Year:

The petitioner has requested that, if approved, the tax abatement be for the first year taxes are assessed at an increased assessment rate.

Staff Comments:

The Mayor's Office has indicated they are supportive of a ten year tax abatement for this project based on the investment amount. This type of development is what this area was designed to attract and support.

Indiana Tax Abatement Results

- Johnson County, Franklin City-Needham Twp
- Tax Rate (2017): 3.3023
- Project Name: Sunbeam Development

Real Property: \$18,000,000.00

| | Abatement Percentage | With Abatement | | | Without Abatement | | | Estimated Tax Abatement Savings |
|--------|----------------------|----------------|----------------------------|--------------------|-------------------|----------------------------|--------------------|---------------------------------|
| | | Property Taxes | Circuit Breaker Tax Credit | Net Property Taxes | Property Taxes | Circuit Breaker Tax Credit | Net Property Taxes | |
| Year 1 | 100% | \$ 0.00 | \$0.00 | \$0.00 | \$594,414.00 | (\$54,414.00) | \$540,000.00 | \$540,000.00 |
| Year 2 | 85% | \$ 89,162.00 | \$0.00 | \$89,162.00 | \$594,414.00 | (\$54,414.00) | \$540,000.00 | \$450,838.00 |
| Year 3 | 71% | \$ 172,380.00 | \$0.00 | \$172,380.00 | \$594,414.00 | (\$54,414.00) | \$540,000.00 | \$367,620.00 |
| Year 4 | 57% | \$ 255,598.00 | \$0.00 | \$255,598.00 | \$594,414.00 | (\$54,414.00) | \$540,000.00 | \$284,402.00 |
| Year 5 | 43% | \$ 338,816.00 | \$0.00 | \$338,816.00 | \$594,414.00 | (\$54,414.00) | \$540,000.00 | \$201,184.00 |
| Year 6 | 29% | \$ 422,034.00 | \$0.00 | \$422,034.00 | \$594,414.00 | (\$54,414.00) | \$540,000.00 | \$117,966.00 |
| Year 7 | 14% | \$ 511,196.00 | \$0.00 | \$511,196.00 | \$594,414.00 | (\$54,414.00) | \$540,000.00 | \$28,804.00 |
| Totals | | \$1,789,186.00 | \$0.00 | \$1,789,186.00 | \$4,160,898.00 | (\$380,898.00) | \$3,780,000.00 | \$1,990,814.00 |

Disclosures

- The abatement calculator is prepared by Umbaugh, a financial consulting firm, in conjunction with Hoosier Energy, based on current Indiana law. This calculation is intended to provide an ILLUSTRATIVE and PRELIMINARY indication of the level of property taxes and potential property tax savings for a proposed investment based on certain assumptions. Please read the Disclosures carefully. Companies must consult their own tax advisors to determine their actual tax liability and to prepare their annual Indiana filings.
- To be eligible to receive property tax abatements in Indiana, a company must follow a specific application process. Please contact your Hoosier Energy Representative for further guidance.
- Assumes taxes payable 2017 property tax rates, as provided by the Indiana Department of Local Government Finance.
- Real property in Indiana is subject to annual adjustments of assessed value to the market value of the structure based on annual sales data ("Trending").
- All personal property (equipment) is assumed to be new, and is assumed to be depreciated in Pool #2 (5-8 year depreciable life) for property tax purposes. A mixture of new and existing equipment (as well as a mixture of depreciation pools) will produce different tax savings results.
- Assumes a one-time investment in real and personal property. Staggering the investments may have a material effect on the actual value of property tax abatements.
- Includes the calculation of Minimum Value Ratio (MVR) for tax abatement of personal property, which effectively increases the assessed value used in the abatement calculation when the taxpayer is subject to the 30% depreciation floor. The MVR equals the adjusted assessed value at the 30% floor divided by the depreciated assessed value of the equipment.
- It is assumed that the Circuit Breaker Tax Credit, which limits property tax liability to 3.0% of gross assessed value for commercial and industrial properties, is applied.
- Does not account for the application of the Local Income Tax (LIT) Property Tax Replacement Credit (PTRC) in any jurisdictions in which a LIT PTRC is applicable. The application of the LIT PTRC may reduce the property tax liability of a commercial/industrial taxpayer.
- The property tax abatement savings value is an ESTIMATE based on preliminary information entered into this calculator. Actual abatement savings may differ materially from the results of this calculator based on the timing of the investment, actual assessment of structures upon completion by the local assessing official, differences in depreciation pools for personal property, annual changes in tax rates, changes to Indiana property tax law or regulations, or changes in assessment methodology.

Hoosier Energy's Tax Abatement Estimator was developed with the assistance of [Umbaugh](#).

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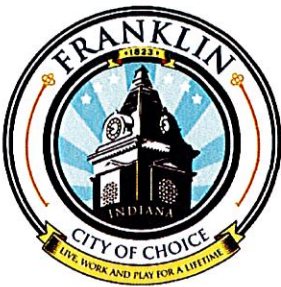
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| | | Property Taxes | Circuit Breaker Tax Credit | Net Property Taxes | Property Taxes | Circuit Breaker Tax Credit | Net Property Taxes | |
| Year 1 | 100% | \$ 0.00 | \$0.00 | \$0.00 | \$594,414.00 | (\$54,414.00) | \$540,000.00 | \$540,000.00 |
| Year 2 | 95% | \$ 29,721.00 | \$0.00 | \$29,721.00 | \$594,414.00 | (\$54,414.00) | \$540,000.00 | \$510,279.00 |
| Year 3 | 80% | \$ 118,883.00 | \$0.00 | \$118,883.00 | \$594,414.00 | (\$54,414.00) | \$540,000.00 | \$421,117.00 |
| Year 4 | 65% | \$ 208,045.00 | \$0.00 | \$208,045.00 | \$594,414.00 | (\$54,414.00) | \$540,000.00 | \$331,955.00 |
| Year 5 | 50% | \$ 297,207.00 | \$0.00 | \$297,207.00 | \$594,414.00 | (\$54,414.00) | \$540,000.00 | \$242,793.00 |
| Year 6 | 40% | \$ 356,648.00 | \$0.00 | \$356,648.00 | \$594,414.00 | (\$54,414.00) | \$540,000.00 | \$183,352.00 |
| Year 7 | 30% | \$ 416,090.00 | \$0.00 | \$416,090.00 | \$594,414.00 | (\$54,414.00) | \$540,000.00 | \$123,910.00 |
| Year 8 | 20% | \$ 475,531.00 | \$0.00 | \$475,531.00 | \$594,414.00 | (\$54,414.00) | \$540,000.00 | \$64,469.00 |
| Year 9 | 10% | \$ 534,973.00 | \$0.00 | \$534,973.00 | \$594,414.00 | (\$54,414.00) | \$540,000.00 | \$5,027.00 |
| Year 10 | 5% | \$ 564,693.00 | (\$24,693.00) | \$540,000.00 | \$594,414.00 | (\$54,414.00) | \$540,000.00 | \$0.00 |
| Totals | | \$3,001,791.00 | (\$24,693.00) | \$2,977,098.00 | \$5,944,140.00 | (\$544,140.00) | \$5,400,000.00 | \$2,422,902.00 |

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CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

Tax Abatement Application

Organization/Corporation Requesting Tax Abatement

Organization/Corporation Name: Sunbeam Development Corporation

Primary Contact Name: Ken Kern, Vice President

Contact Address: 11800 Exit Five Parkway Suite 110

City: Fishers State: IN Zip: 46037

Phone Number: 317/842-1166

Email: kkern@sunbeamdevelopment.com

Three possible dates before the EDC

meeting to conduct a site visit: almost any date

Name of Owner: Sunbeam Development Corporation

Parent Company (If Applicable): _____

Primary Contact for Yearly Compliance Reports

Name: same as above

Title: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone Number: _____

Email: _____

Description of Project

Project Location/Address: Franklin Tech Park - East King Street (SR44)

Parcel Number: 41-07-18-044-015.001-018 and 41-07-19-011.001.003-018

Brief Description of Project:

This is a proposed 600,000sf modern bulk building facility (expandable to 1,000,000sf) built on a speculative basis by Sunbeam Development

Current Assessed Value (AV) of the Property:

1. Land see tax bill

2. Building _____

3. Inventory _____

4. Equipment _____

Have building permits been applied for (if applicable): Yes ☐ No ☒

Has equipment been installed (if applicable): Yes ☐ No ☒

Required Attachments:

☐ Completed SB-1 Form(s)

☐ Legal Description of the Property

☐ Company Financial Statement

☐ Job and Wage Description Information Sheet

☐ Summary of Benefits (if applicable)

☐ Employment Phase-In Schedule

☐ Company Investment Timetable

☐ Compliance Affidavit

Type of Abatement RequestedReal Property ☒Personal Property ☐

Length of Abatement Requested: 10 Years

Project Size (square feet): 600,000 sf

Size of Site (acres): 62.55

Type of Building:

Multiple Tenants (leased) ☒Single Tenant (leased) ☒Owner Occupied ☐Corporate Headquarters ☐**Capital Investment**

1. Real property capital investment only: \$18,000,000

2. Personal property capital investment only:

3. Total capital investment for proposed project:

Jobs Created and/or Retained

1. Estimated number of full time jobs created by the proposed project:

2. Estimated number of full time jobs retained as a direct result of the proposed project:

3. Total number of full time jobs upon project completion:

Wages Created and Retained

1. Average hourly wage rate for new jobs (w/o benefits)

2. Average hourly wage rate for jobs retained (w/o benefits)

***In addition to answering these questions, please fill out the Job and Wage Description for Tax Abatement Application information sheet and submit it with the application as an attachment.

Please explain why the abatement incentive is necessary to the project: Attach additional sheets as necessary.**Company Information**

How long has the company been in existence? 60 years

Current address of company headquarters and duration at that address:

Approximate percentage of employees at current location who live in the City of Franklin and/or Johnson County:

Have you ever received tax abatement at your current location? Yes No ☒

If yes, when and for what term?

What specifically has the company done to give back to the community:

While acting as a strong advocate for using economic incentives to help applicants expand and/or locate in the community, the City of Franklin also strives to enrich the quality of life for its citizens. To that end, the City embraces the use of voluntary economic development fees as allowed under Indiana law (IC 6-1.1-12.1-14). These fees are directed by the City to local nonprofit organizations to bolster their economic development efforts. The fee can be applied on both real and personal property abatements. The fee is collected annually by the County Treasurer as a special assessment on the tax bill and is distributed by the City to the designated economic development nonprofit organization. Typically, 2% is charged on Real Property and 5% is charged on Personal Property. The fee is a percentage of the abatement received. For example, instead of receiving 100% abatement in the first year, the company receives a 95% abatement, with the 5% difference going to support local economic development. More information can be found on the City's website (www.franklin.in.gov) under the Economic Development tab.

Is the company agreeable to the Economic Development Fee?

☒ Yes

No

If yes, at what percent(s)?

FOR USE OF THE DESIGNATING BODY

We have reviewed our prior actions relating to the designation of this economic revitalization area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1-2.5, provides for the following limitations as authorized under IC 6-1.1-12.1-2.

A. The designated area has been limited to a period of time not to exceed _____ calendar years * (see below). The date this designation expires is _____.

B. The type of deduction that is allowed in the designated area is limited to:

- | | | |
|--|------------------------------|-----------------------------|
| 1. Installation of new manufacturing equipment; | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. Installation of new research and development equipment; | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3. Installation of new logistical distribution equipment. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 4. Installation of new information technology equipment; | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

C. The amount of deduction applicable to new manufacturing equipment is limited to \$ _____ cost with an assessed value of \$ _____.

D. The amount of deduction applicable to new research and development equipment is limited to \$ _____ cost with an assessed value of \$ _____.

E. The amount of deduction applicable to new logistical distribution equipment is limited to \$ _____ cost with an assessed value of \$ _____.

F. The amount of deduction applicable to new information technology equipment is limited to \$ _____ cost with an assessed value of \$ _____.

G. Other limitations or conditions (specify) _____

H. The deduction for new manufacturing equipment and/or new research and development equipment and/or new logistical distribution equipment and/or new information technology equipment installed and first claimed eligible for deduction on or after July 1, 2000, is allowed for:

- | | |
|-------------------------------------|--------------------------------------|
| <input type="checkbox"/> 1 year | <input type="checkbox"/> 6 years |
| <input type="checkbox"/> 2 years | <input type="checkbox"/> 7 years |
| <input type="checkbox"/> 3 years | <input type="checkbox"/> 8 years |
| <input type="checkbox"/> 4 years | <input type="checkbox"/> 9 years |
| <input type="checkbox"/> 5 years ** | <input type="checkbox"/> 10 years ** |

** For ERA's established prior to July 1, 2000, only a 5 or 10 year schedule may be deducted.

Also we have reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved: (signature and title of authorized member)

Telephone number

Date signed (month, day, year)

Attested by:

Designated body

* If the designating body limits the time period during which an area is an economic revitalization area, it does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years designated under IC 6-1.1-12.1-4.5

Exhibit A-2

LEGAL DESCRIPTION

63.624 Acres North of Lot 3
Franklin Tech Park

A part of the Southwest Quarter of Section 17, a part of the Southeast Quarter of Section 18, a part of the Northeast Quarter of Section 19 and a part of the Northwest Quarter of Section 20, all in Township 12 North, Range 5 East of the Second Principal Meridian, Johnson County, Indiana, more particularly described as follows:

COMMENCING at the Northeast corner of the Northeast Quarter of said Section 19; thence South 89 degrees 18 minutes 04 seconds West on and along the North line thereof a distance of 1,277.07 feet to the POINT OF BEGINNING of this described tract of land, said point also being on the Eastern Limited Access right-of-way line of Interstate 65, the next eight (8) courses being on and along said Eastern right-of-way line; (1) thence North 09 degrees 59 minutes 19 seconds West a distance of 29.07 feet; (2) thence North 09 degrees 41 minutes 22 seconds West a distance of 442.64 feet; (3) thence North 00 degrees 01 minute 32 seconds West a distance of 371.43 feet to a point on a curve to the right having a radius of 1,367.39 feet; (4) thence on and along the arc of said curve a distance of 73.93 feet, said arc being subtended by a chord having a bearing of North 10 degrees 45 minutes 04 seconds East and a chord distance of 73.92 feet; (5) thence North 12 degrees 17 minutes 54 seconds East a distance of 160.00 feet to a point on a curve to the left having a radius of 1,019.93 feet; (6) thence on and along the arc of said curve a distance of 237.83 feet, said arc being subtended by a chord having a bearing of North 05 degrees 37 minutes 05 seconds East and a chord distance of 237.29 feet; (7) thence North 01 degrees 03 minutes 45 seconds West a distance of 59.01 feet; (8) thence North 43 degrees 38 minutes 58 seconds East a distance of 68.95 feet to a point on the South right-of-way line of State Road 44, the next three (3) courses being on and along said South right-of-way line; (1) thence North 88 degrees 56 minutes 15 seconds East a distance of 427.05 feet to the point of curvature of a curve to the left having a radius of 21,577.92 feet; (2) thence on and along the arc of said curve a distance of 518.66 feet, said arc being subtended by a chord having a bearing of North 88 degrees 14 minutes 56 seconds East and a chord distance of 518.65 feet to the point of tangency of said curve; (3) thence North 87 degrees 33 minutes 37 seconds East a distance of 258.98 feet to a point on the West right-of-way line of Bartram Parkway as described in a Road Right-of-way and Easement Instrument for Franklin Tech Park, recorded as Instrument #2002038647 in the Office of the Recorder of Johnson County, Indiana, the next eleven (11) courses being on and along said West right-of-way line; (1) thence South 00 degrees 00 minutes 06 seconds West a distance of 264.26 feet; (2) thence South 43 degrees 58 minutes 41


seconds West a distance of 50.37 feet; (3) thence South 87 degrees 57 minutes 16 seconds West a distance of 29.45 feet; (4) thence South 02 degrees 02 minutes 44 seconds East a distance of 50.00 feet; (5) thence North 87 degrees 57 minutes 16 seconds East a distance of 27.66 feet; (6) thence South 46 degrees 01 minute 19 seconds East a distance of 48.61 feet; (7) thence South 00 degrees 00 minutes 06 seconds West a distance of 705.21 feet to the point of curvature of a curve to the left having a radius of 635.00 feet; (8) thence on and along the arc of said curve a distance of 304.30 feet, said arc being subtended by a chord having a bearing of South 13 degrees 43 minutes 37 seconds East and a chord distance of 301.40 feet to the point of tangency of said curve; (9) thence South 27 degrees 27 minutes 20 seconds East a distance of 249.04 feet to the point of curvature of a curve to the right having a radius of 565.00 feet; (10) thence on and along the arc of said curve a distance of 270.76 feet, said arc being subtended by a chord having a bearing of South 13 degrees 43 minutes 37 seconds East and a chord distance of 268.17 feet to the point of tangency of said curve; (11) thence South 00 degrees 00 minutes 06 seconds West a distance of 130.69 feet to the Northeast corner of Lot Number 3 in Franklin Tech Park, per plat thereof, recorded in Plat Cabinet D, Slide 765 A & B; thence South 80 degrees 18 minutes 38 seconds West along the north line of said Lot 3 a distance of 1361.23 feet to the northwest corner of said Lot 3 and the said Eastern right-of-way line of Interstate 65, which is on a non-tangent curve to the right having a radius of 5,599.58 feet, the next three (3) courses being on and along said Eastern right-of-way line; (1) thence on and along the arc of said curve a distance of 5.62 feet, said arc being subtended by a chord having a bearing of North 12 degrees 18 minutes 28 seconds West and a chord distance of 5.61 feet to the point of tangency of said curve; (2) thence North 12 degrees 16 minutes 45 seconds West a distance of 316.00 feet; (3) thence North 09 degrees 59 minutes 19 seconds West a distance of 471.33 to the POINT OF BEGINNING containing 63.624 acres, more or less.

Developer Investment Timetable

Franklin Tech Park: Southwest Corner of East State Road 44 and Bartram Parkway

| | | | |
|-------------|------|--|---------------|
| 3rd Quarter | 2018 | | \$ 5,000,000 |
| 4th Quarter | 2018 | | \$ 7,000,000 |
| 1st Quarter | 2019 | | \$ 5,000,000 |
| 2nd Quarter | 2019 | | \$ 1,000,000 |
| | | | |
| | | | \$ 18,000,000 |

The above schedule reflects the Developer's estimate of investment of personal funds into the Project.

 VP

Ken Kern, VP Sunbeam Development Corporation

9/27/2017

Date