Staff Report

To: Board of Harbor Commissioners

From: Mike Rademaker, CEO/Harbormaster

Date: August 13, 2026

Subject: Consider and Approve Temporary Payment Deferral with Fashion Blacksmith, Inc.

RECOMMENDED ACTION

Approve the temporary deferral of the payment currently owing to Fashion Blacksmith, Inc., through at least the Board's second regular meeting in September (09/23/2026), substantially on the terms described in this staff report; direct the CEO/Harbormaster to proceed with Cal Muni Advisors in developing a broader and more sustainable restructuring of the District's debt obligations; and authorize the CEO/Harbormaster and District Counsel to work with Fashion Blacksmith and its counsel to prepare any documentation necessary to memorialize the temporary payment arrangement.

INTRODUCTION

At the August 12, 2026 meeting of the Board of Harbor Commissioners, Mr. Ted Long, President and CEO of Fashion Blacksmith, Inc., expressed understandable frustration concerning recent communications with the District and the status of the First Amendment to the parties' *Settlement and Release of Remaining Issues*. Following those comments, Chairman Rick Shepherd requested that District staff review the underlying circumstances and provide the Board with a complete factual account of the amendment's execution and the subsequent communication issue.

More importantly for purposes of the action presently before the Board, District staff contacted Mr. Long on the morning of August 13, 2026, to discuss both the concerns raised at the meeting and the District's immediate financial circumstances. Those discussions were productive and resulted in a verbal understanding under which Mr. Long has agreed to defer the presently scheduled payment at least through the Board's second regular meeting in September (09/23/26), in order to provide the District an opportunity to work with Cal Muni Advisors toward a broader and more sustainable debt-restructuring strategy.

Mr. Long made clear that this accommodation is premised upon the District actively pursuing that restructuring effort. If the District does not proceed with Cal Muni Advisors during this period, Mr. Long expects the outstanding payment to be made promptly. He has also expressly reserved all rights and remedies available to Fashion Blacksmith under the amended agreement, including the continued accrual of interest on the unpaid balance. Accordingly, staff is requesting that the Board formally approve the temporary payment accommodation described in this report and provide direction to management to proceed immediately with Cal Muni Advisors and the District's other professional advisers toward development of a viable restructuring proposal.

The requested Board action does not forgive, reduce, or otherwise eliminate the District's underlying obligation to Fashion Blacksmith. Rather, it provides a limited period in which the District can attempt to develop a financial structure that improves its ability to satisfy that obligation in full while preserving sufficient liquidity and operational stability to continue strengthening the Harbor's financial position.

The timing of this opportunity is particularly important. The District is beginning to see several significant revenue-side developments occurring concurrently, including the expansion of Ocean Gold Seafoods' operations at the Harbor and substantial private investment anticipated in connection with BSD Property Management's redevelopment of the District's RV park properties. These developments will require time to mature, but they have the potential to strengthen recurring revenues, improve District assets, and materially enhance the Harbor's long-term financial capacity.

Staff therefore recommends that the Board approve the temporary payment deferral, authorize management to proceed with the contemplated restructuring effort, and allow staff to return to the Board no later than September 23 with either a proposed restructuring framework or an appropriate status report and recommendation from Cal Muni Advisors.

The remainder of this report provides the factual background concerning the First Amendment, the documented execution timeline, the cybersecurity-related communication issue that contributed to the misunderstanding discussed at the August 12 meeting, and additional information concerning the District's discussions with Mr. Long.

FASHION BLACKSMITH SETTLEMENT AMENDMENT – EXECUTION TIMELINE, COMMUNICATION ISSUE, AND CURRENT PATH FORWARD

BACKGROUND

The underlying First Amendment has an effective date of June 16, 2026. It memorialized a one-time modification of the District's Year 2 payment obligation and revised the remaining amortization schedule. The amendment reduced the Year 2 payment from $362,500 to $162,500, provided for payments of $62,500 and $100,000, continued interest at five percent on the unpaid balance, and re-amortized the remaining principal balance over payment years 2027 through 2034.

DOCUMENTED EXECUTION TIMELINE

The attached correspondence establishes the following sequence:

June 16, 2026 – 3:26:34 p.m. Pacific Daylight Time: Fashion Blacksmith's counsel, George M. Mavris, transmitted the revised agreement signed by both Mr. Mavris and his client, Ted Long, to District Counsel Ryan Plotz. Mr. Mavris wrote that he and his client had signed the revised agreement provided by District Counsel and thanked Mr. Plotz for his assistance in getting the matter "back on track."

June 17, 2026 – 9:21 a.m.: Mr. Plotz forwarded the signed agreement to CEO/Harbormaster Michael Rademaker and asked him to countersign it and return a copy.

June 17, 2026 – 10:25 a.m.: Mr. Rademaker returned the signed agreement to Mr. Plotz.

June 17, 2026: Mr. Plotz completed his approval-as-to-form signature. The fully executed document reflects Mr. Long's execution on behalf of Fashion Blacksmith, Mr. Rademaker's execution on behalf of the Crescent City Harbor District, Mr. Mavris's approval as to form for Fashion Blacksmith, and Mr. Plotz's approval as to form for the District.

June 18, 2026 – 9:31 a.m.: Mr. Plotz's assistant, Kaitlyn Gilbride, transmitted the completed agreement to Mr. Mavris and copied Mr. Rademaker, writing, "Please see attached."

Accordingly, the documentary record establishes that there was no prolonged delay in execution of the amendment by District management or District Counsel.

HOW A COMMUNICATION BREAKDOWN OCCURRED

A misunderstanding arose from a cybersecurity incident involving the Mitchell Law Firm, and the District's response by enacting email-security controls. After an email account was compromised at the Mitchell Law Firm, the District's technical-support provider implemented a domain-level block rule against email originating from the Mitchell Law Firm domain as a precautionary measure. In practical terms, messages from that domain were subject to rejection by the District's mail gateway before they could be delivered to an employee's inbox.

Because District Counsel Ryan Plotz needed to maintain regular and uninterrupted communications with District staff, his individual email address was subsequently added to the District's allowlist (whitelist) as a specific exception to the broader domain-level restriction. That exception applied to Mr. Plotz's address, however, not to every user account associated with the Mitchell Law Firm domain. As a result, messages sent directly from Mr. Plotz could pass through the District's email-security filtering, while messages from other Mitchell Law Firm personnel—including Mr. Plotz's assistant—remained subject to the existing block rule. The distinction was not readily apparent to District staff at the time because the filtering occurred at the server or mail-gateway level, before the rejected message would ordinarily appear in the recipient's inbox or normal junk-mail folder.

Consequently, emails sent directly from Mr. Plotz continued to reach District staff, while the June 18 email from his assistant, Kaitlyn Gilbride, did not. Although Ms. Gilbride had properly transmitted the fully executed agreement to Fashion Blacksmith's counsel and copied the District, the District's security system rejected her message before it reached Mr. Rademaker's inbox.

When the matter was discussed at the August 12 Board meeting, Contract Fiscal Officer Sandy Moreno stated that staff believed the District was still waiting for Mr. Plotz to sign the amendment. That statement accurately reflected staff's understanding at the time, but subsequent review has established that the understanding was incorrect. Mr. Plotz had in fact signed the document promptly, and his office had transmitted the completed agreement on June 18.

AUGUST 13, 2026 DISCUSSIONS WITH MR. LONG

More importantly, the District reached out to Mr. Long on the morning of August 13 to address both the communication concerns raised at the meeting and the District's near-term financial circumstances.

Those discussions were constructive and encouraging. Mr. Long has verbally agreed to **defer the presently scheduled payment at least through the Board's second regular meeting in September (09/23)**, providing the District additional time to work with Cal Muni Advisors toward a broader and more sustainable debt-restructuring strategy. Mr. Long also made clear, however, that this accommodation is premised on the District actively pursuing that restructuring effort. If, for any reason, the District does not move forward with Cal Muni Advisors by that time, he expects the outstanding payment to be made promptly. Mr. Long has further expressly reserved all rights and remedies available to him under the amended agreement, including the continued accrual of interest on the unpaid balance. Any necessary written documentation and Board action will follow as appropriate.

The District is extraordinarily appreciative of Mr. Long's willingness to approach this situation constructively.

Fashion Blacksmith and Mr. Long have every right to expect the District to honor its financial commitments. At the same time, Mr. Long has demonstrated an understanding that the best path toward ultimately satisfying the District's obligation in full is one that allows the Harbor to strengthen its finances rather than forcing decisions that could undermine the District's long-term ability to perform.

That approach deserves recognition.

Mr. Long has shown considerable patience, flexibility, and reasonableness in working with the District through a difficult financial period. His willingness to provide additional time for the District to develop a realistic restructuring proposal is not something the District takes for granted. It reflects a recognition that Fashion Blacksmith's interests and the Harbor's long-term success are substantially aligned: a financially stronger Harbor is better positioned to satisfy its obligations to Fashion Blacksmith, support its tenants and commercial partners, and continue serving the broader community.

District management is particularly grateful that Mr. Long has been willing to evaluate the situation based on where the Harbor is going rather than solely on the difficulties it has experienced in the past. The District understands that such confidence must be earned through performance, transparency, and continued progress.

POSITIVE FINANCIAL DEVELOPMENTS

There are meaningful reasons for optimism.

The District is beginning to see several revenue-side developments come together simultaneously. Ocean Gold Seafoods is expanding its operations at the Harbor. BSD Property Management is preparing substantial private investment in the District's RV park properties. Together with other ongoing management initiatives, these developments have the potential to strengthen recurring revenue, improve District-owned assets, and expand the economic activity occurring on Harbor property.

These improvements will not eliminate the District's financial challenges overnight, and management does not intend to suggest otherwise. The objective is instead to develop a realistic financial structure that recognizes the District's existing obligations while giving these new sources of revenue and private investment sufficient time to mature.

The additional time Mr. Long has agreed to provide is therefore particularly valuable. It will allow District management, the Board, Cal Muni Advisors, and the District's other professional advisers to work toward a restructuring that is sustainable rather than merely temporary.

The District's objective remains straightforward: **to develop and execute a credible financial plan that allows the Crescent City Harbor District to satisfy its obligation to Fashion Blacksmith in full while maintaining the Harbor's financial and operational viability.**

Management sincerely appreciates Mr. Long's confidence that the current District leadership can develop and carry out such a plan.

CONCLUSION

The events surrounding the First Amendment illustrate an unfortunate communication failure, but not a failure by any individual to perform his or her responsibilities.

The amendment moved through the signature process promptly. Mr. Long and his counsel transmitted their signed agreement; District Counsel forwarded it to the CEO/Harbormaster; the CEO/Harbormaster signed and returned it within 64 minutes; District Counsel completed his approval; and his assistant transmitted the fully executed document the following morning. The District's failure to receive that final transmittal resulted from an email-security configuration established in response to an earlier cybersecurity incident.

The District regrets the resulting confusion, including the inaccurate impression conveyed at the August 12 meeting that District Counsel's signature remained outstanding. The District also understands why, without the benefit of this complete chronology, Mr. Long was frustrated by what appeared to be a lack of communication. The more important development is that the parties have now reestablished direct communication and are again working cooperatively toward a solution.

The District extends its sincere appreciation to Mr. Long for the patience, professionalism, and flexibility he has demonstrated. His willingness to provide the District additional time to formulate a sustainable restructuring proposal gives the Harbor an important opportunity to build upon the positive economic developments now occurring and to establish a realistic path toward satisfying its obligation to Fashion Blacksmith in full.

District management intends to make the most of that opportunity.

ATTACHMENTS

1. June 16–17, 2026 email correspondence documenting transmission and countersignature of the First Amendment.

2. June 18, 2026 email documenting transmission of the fully executed First Amendment.

3. Fully executed First Amendment to Settlement and Release of Remaining Issues and Amended Exhibit A.

Outlook

Re: Fashion Blacksmith Signed Agreement - 06/17/2026

From Mike Rademaker <mrademaker@ccharbor.com>
Date Wed 6/17/2026 10:25 AM
To Ryan Plotz <RPlotz@mitchelllawfirm.com>

1 attachment (184 KB)
FB_First_Amendment_Fashion_Blacksmith_Note_MTR-RTP-signed.pdf;

Here you go.

Also, updates from Daniel soon.

From: Ryan Plotz <RPlotz@mitchelllawfirm.com>
Sent: Wednesday, June 17, 2026 9:21 AM
To: Mike Rademaker <mrademaker@ccharbor.com>
Subject: Fwd: Signed Agreement

Danger: External (rplotz@mitchelllawfirm.com)
Phishing Content, Sensitive Content Details

Safe Spam Phish More... FAQ Protection by INKY

Please counter sign and send me copy.

Ryan T. Plotz

THE MITCHELL LAW FIRM, LLP
426 First Street
Eureka, CA 95501
Phone: (707) 443-5643
Fax: (707) 444-9586

Begin forwarded message:

From: George Mavris <gmavris@yahoo.com>
Date: June 16, 2026 at 5:26:34 PM CDT
To: Ryan Plotz <rplotz@mitchelllawfirm.com>
Subject: Signed Agreement
Reply-To: George Mavris <gmavris@yahoo.com>

Ryan: My client and I signed the Revised Agreement you provided. I attach it here.

Thanks for your help in getting this back on track.

Kind regards,

George M. Mavris, Attorney at Law
Certified Specialist Family Law
Certified Specialist Criminal Law
1 Point Saint George Place
Crescent City, CA 95531
(707)464-1418

Outlook

FW: First Amendment to Settlement and Release of Remaining Issues - Signed

From Ryan Plotz <RPlotz@mitchelllawfirm.com>
Date Thu 8/13/2026 10:42 AM
To Mike Rademaker <mrademaker@ccharbor.com>

1 attachment (252 KB)
FB_First_Amendment_Fashion_Blacksmith_Note_MTR-RTP-signed.pdf;

Danger: External (rplotz@mitchelllawfirm.com)
Phishing Content, Sensitive Content Details

Safe Spam Phish More... FAQ Protection by INKY

Ryan T. Plotz

THE MITCHELL LAW FIRM, LLP
P.O. Drawer 1008
426 First Street
Eureka, CA 95501
Phone: (707) 443-5643
Fax: (707) 444-9586

From: Kaitlyn Gilbride <kgilbride@mitchelllawfirm.com>
Sent: Thursday, August 13, 2026 9:18 AM
To: Ryan Plotz <RPlotz@mitchelllawfirm.com>
Subject: Fw: First Amendment to Settlement and Release of Remaining Issues - Signed

THE MITCHELL LAW FIRM, LLP

Kaitlyn Gilbride

Assistant to Ryan T. Plotz

THE MITCHELL LAW FIRM, LLP

P.O. Drawer 1008

426 First Street

Eureka, CA 95502

Phone: (707) 443-5643

Fax: (707) 444-9586

From: Kaitlyn Gilbride <kgilbride@mitchelllawfirm.com>
Sent: Thursday, June 18, 2026 9:31 AM
To: gmavris@yahoo.com <gmavris@yahoo.com>
Cc: mrademaker@ccharbor.com <mrademaker@ccharbor.com>
Subject: First Amendment to Settlement and Release of Remaining Issues - Signed

Please see attached.

THE MITCHELL LAW FIRM, LLP

Kaitlyn Gilbride

Assistant to Ryan T. Plotz

THE MITCHELL LAW FIRM, LLP

P.O. Drawer 1008

426 First Street

Eureka, CA 95502

Phone: (707) 443-5643

Fax: (707) 444-9586

FIRST AMENDMENT TO
SETTLEMENT AND RELEASE OF REMAINING ISSUES

This First Amendment to Settlement and Release of Remaining Issues ("First Amendment") is entered into as of June 16, 2026 ("Effective Date"), by and between Fashion Blacksmith, Inc. ("FBI") and Crescent City Harbor District ("District"). FBI and District are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

A. The Parties entered into that certain Settlement and Release of Remaining Issues, dated March 14, 2024 ("Settlement Agreement"), in Fashion Blacksmith, Inc. v. Crescent City Harbor District, Del Norte County Superior Court, Case No. CVPT 2023-1161.

B. The Settlement Agreement includes as Exhibit A a payment schedule requiring payment of $2,600,000.00 over ten years at 5% interest on the unpaid balance, with the Year 2 payment due March 1, 2026 in the amount of $362,500.00, consisting of $250,000.00 principal plus $112,500.00 accrued interest on the then-outstanding principal balance of $2,250,000.00.

C. By letter dated February 24, 2026, FBI agreed in principle to a one-time adjustment to the Year 2 settlement payment, with $112,500.00 to be applied to accrued interest, $50,000.00 to be applied to principal, the remaining principal balance to become $2,200,000.00, and the deferred $200,000.00 principal component to be re-amortized over the remaining eight years at $25,000.00 per year.

D. The Parties now desire to amend the Settlement Agreement to memorialize their revised agreement concerning the timing and application of the Year 2 payment, the re-amortization of the remaining balance, reimbursement of FBI's attorney's fees incurred in negotiating and documenting this First Amendment, and replacement of the existing Exhibit A with an amended payment schedule.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

1. Incorporation of Recitals

The foregoing recitals are true and correct and are incorporated herein by this reference.

2. Defined Terms

Except as expressly set forth in this First Amendment, all capitalized terms used but not defined herein shall have the meanings given to them in the Settlement Agreement.

3. One-Time Modification of Year 2 Settlement Payment

3.1 Modified Year 2 Payment Amount and Timing. Notwithstanding anything to the contrary in the Settlement Agreement or the original Exhibit A, the Parties agree that the total settlement payment for Year 2 shall be reduced from $362,500.00 to $162,500.00, payable by the District to FBI in two installments as follows:

(a) $62,500.00 shall be paid within five (5) calendar days after the Effective Date;

(b) $100,000.00 shall be paid within forty-five (45) calendar days after the Effective Date.

3.2 Continuing Interest Through Payment Dates. The Parties agree that, in addition to the accrued interest component of the Year 2 settlement payment as of March 1, 2026, interest shall continue to accrue at the rate of five percent (5%) per annum on the unpaid principal balance from and after March 1, 2026 through the dates the payments required by Section 3.1 are actually made.

3.3 Application of Year 2 Payment. The Parties agree that, in addition to the accrued interest component of the Year 2 settlement payment as of March 1, 2026, interest shall continue to accrue at the rate of five percent (5%) per annum on the unpaid principal balance from and after March 1, 2026 until the Year 2 payment is paid in full, with payments applied in accordance with Section 3.3 on the dates actually received. For purposes of the Amended Exhibit A, the Parties agree that the Year 2 payments shall be deemed made on June 11, 2026 and July 26, 2026, respectively, resulting in a remaining unpaid principal balance of $2,245,308.22 after application of the Year 2 payments.

3.4 No Waiver Except as Expressly Set Forth. This First Amendment constitutes a one-time modification of the Year 2 payment only. Except as expressly stated herein, nothing in this First Amendment shall be construed as a waiver of any existing or future obligation of the District under the Settlement Agreement or as a continuing course of dealing modifying future payment obligations.

4. Re-Amortization of Remaining Principal Balance

4.1 Remaining Principal Balance. The Parties acknowledge that, because interest shall continue to accrue through the actual payment dates for the Year 2 payments, the amount of the Year 2 payments applied to principal will depend on the date such payments are made. The remaining unpaid principal balance after application of the Year 2 payments pursuant to Section 3.3 shall be the balance re-amortized under this First Amendment. The Parties acknowledge and agree that, after application of the Year 2 payments in accordance with Section 3.3, the remaining unpaid principal balance to be re-amortized under this First Amendment is $2,245,308.22.

4.2 Re-Amortized Principal Payments. The remaining unpaid principal balance after application of the Year 2 payments pursuant to Section 3.3 shall be amortized over the remaining payment years, 2027 through 2034, in equal annual principal installments, together with accrued interest at five percent (5%) per annum on the unpaid principal balance, as shown in the attached Amended Exhibit A.

5. Replacement of Exhibit A

Effective as of the Effective Date, the original Exhibit A – Payment Schedule ARB II Settlement attached to the Settlement Agreement is deleted in its entirety and replaced with the Amended Exhibit A – Payment Schedule ARB II Settlement attached to this First Amendment and incorporated herein by this reference. The Parties acknowledge and agree that this First Amendment and the attached Amended Exhibit A constitute FBI's express written consent to the modified Year 2 payment timing, the continuing accrual of interest through the actual payment dates, and the revised amortization schedule reflected therein.

6. Reimbursement of Attorney's Fees for Amendment

As additional consideration for FBI's agreement to this First Amendment, the District shall reimburse FBI for its reasonable attorney's fees incurred in connection with the negotiation, preparation, review, and execution of this First Amendment and the Amended Exhibit A, in an amount not to exceed Seven Thousand, Five Hundred Dollars ($7,500.00). Such reimbursement shall be due and payable within thirty (30) calendar days after the District's receipt of an invoice or written demand therefor. This reimbursement obligation is separate from, and in addition to, any rights to attorney's fees or costs otherwise provided in the Settlement Agreement.

7. Failure to Make Amended Year 2 Payments

If the District fails to timely make either payment required by Section 3.1, and such failure continues for five (5) calendar days after written notice from FBI, then, at FBI's election, the District shall be in default under this First Amendment and FBI may pursue any remedy available under the Settlement Agreement, the judgment, or applicable law; provided, however, that any amounts actually paid by the District under this First Amendment shall be credited as provided in Section 3.3 unless the Parties otherwise agree in writing.

8. No Other Amendments

Except as expressly amended by this First Amendment, all terms and provisions of the Settlement Agreement shall remain unchanged and in full force and effect.

9. Authority

Each person executing this First Amendment on behalf of a Party represents and warrants that he or she has full authority to bind that Party.

10. Counterparts; Electronic Signatures

This First Amendment may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Signatures transmitted electronically or in PDF format shall be deemed original signatures for all purposes.

11. Entire Amendment

This First Amendment, together with the Settlement Agreement as amended hereby, constitutes the entire agreement of the Parties with respect to the subject matter of this First Amendment and supersedes all prior discussions or writings concerning such subject matter.

IT IS SO AGREED:

DATED: June 16, 2026
FASHION BLACKSMITH, INC.

By: Edward Da
Name: ______
Title: President/CEO

Signed by:
Edward Dale Long
561855D9D737497...

DATED: June 16, 2026

CRESCENT CITY HARBOR DISTRICT

By: Michael Rademaker ______________________

Name: Michael Rademaker

Title: CEO/Harbormaster

APPROVED AS TO FORM:

DATED: June 1

DocuSigned by:

George M Mavris

EB094964B9464E7...

____

George M. Mavris,

Attorney for Fashion Blacksmith, Inc.

DATED: June 17, 2026

____

Attorney for Crescent City Harbor District

AMENDED EXHIBIT A – PAYMENT SCHEDULE ARB II SETTLEMENT

A. Summary of Award – 2,600,000.00 to be paid annually over 10 years at 5% interest on any unpaid balance.

B. Down Payment – Down Payment made 4/1/2024 of $100,000.00 leaving a balance due of $2,500,000.00 accruing interest at 5% annually.

C. Annual Payment – The Annual Payment, to be paid on March 1 of each year, shall consist of the applicable annual principal installment plus any accrued interest on the unpaid principal balance, as set forth in the Annual Payment Schedule below.

Annual Payment Schedule

Year 1 – 3/2025 Int on Balance Due is $125,000.00 ($2,500,000.00 x .05)
Payment Year 1 (3/1/2025): $250,000.00 plus accrued interest = $375,000.00.
Balance Due = $2,250,000.00.

Year 2 – 2026 (AMENDED)
Interest on Balance Due as of 3/1/2026 is $112,500.00 ($2,250,000.00 x .05).
Payment Year 2: $162,500.00 total, payable as follows:
$62,500.00 on June 11, 2026; and
$100,000.00 on July 26, 2026.
Interest shall continue to accrue at 5% per annum on the unpaid principal balance from and after March 1, 2026 through the dates the Year 2 payments are actually made.
The Year 2 payments shall be applied first to accrued and unpaid interest and then to principal.
Remaining Principal Balance After Year 2 Payment = $2,245,308.22.
The remaining unpaid principal balance shall be re-amortized over the remaining payment years as set forth below.

Year 3 – 3/2027
Int on Balance Due is $112,265.41 ($2,245,308.22 x .05)
Payment Year 3 (3/1/2027): $280,663.53 plus accrued interest = $392,928.94
Balance Due = $1,964,644.69

Year 4 – 3/2028
Int on Balance Due is $98,232.23 ($1,964,644.69 x .05)
Payment Year 4 (3/1/2028): $280,663.53 plus accrued interest = $378,895.76
Balance Due = $1,683,981.16

Year 5 – 3/2029
Int on Balance Due is $84,199.06 ($1,683,981.16 x .05)
Payment Year 5 (3/1/2029): $280,663.53 plus accrued interest = $364,862.59
Balance Due = $1,403,317.63

Year 6 – 3/2030
Int on Balance Due is $70,165.88 ($1,403,317.63 x .05)

Payment Year 6 (3/1/2030): $280,663.53 plus accrued interest = $350,829.41
Balance Due = $1,122,654.10

Year 7 – 3/2031
Int on Balance Due is $56,132.71 ($1,122,654.10 x .05)
Payment Year 7 (3/1/2031): $280,663.53 plus accrued interest = $336,796.24
Balance Due = $841,990.57

Year 8 – 3/2032
Int on Balance Due is $42,099.53 ($841,990.57 x .05)
Payment Year 8 (3/1/2032): $280,663.53 plus accrued interest = $322,763.06
Balance Due = $561,327.04

Year 9 – 3/2033
Int on Balance Due is $28,066.35 ($561,327.04 x .05)
Payment Year 9 (3/1/2033): $280,663.53 plus accrued interest = $308,729.88
Balance Due = $280,663.51

Year 10 – 3/2034
Int on Balance Due is $14,033.18 ($280,663.51 x .05)
Payment Year 10 (3/1/2034): $280,663.51 plus accrued interest = $294,696.69
Balance Due = 0.00