

California Blvd. Lease/Option Terms

Annual Inflator = 3.5%

Purchase Option: March 1, 2012

Option Amount any time after 3/1/12:  $((\text{Monthly Lease Rate} \times 12) / .08)$

3-1 to 2-28	Monthly Lease	Annual Payment Mar 1-Feb28	Fiscal Year Payment		Purchase Price under Agreement	
			Calculation			
2005	Base Yr \$	16,000		\$ 64,000		
2006	1.035 \$	16,560		\$ 194,240		
2007	1.035 \$	17,140		\$ 201,038		
2008	1.035 \$	17,739		\$ 208,075		
2009	1.035 \$	18,360		\$ 215,357		
2010	1.035 \$	19,003		\$ 222,895		
2011	1.035 \$	19,668		\$ 230,696		
2012	1.035 \$	20,356		\$ 238,771	\$ 3,053,470	1st Yr to exercise option on 3/1/12
2013	1.035 \$	21,069		\$ 247,128	\$ 3,160,342	New price after 3/1 of this year
2014	1.035 \$	21,806		\$ 255,777	\$ 3,270,954	New price after 3/1 of this year
2015	1.035 \$	22,570		\$ 264,729	\$ 3,385,437	New price after 3/1 of this year
2016	1.035 \$	23,360		\$ 273,995	\$ 3,503,927	New price after 3/1 of this year
2017	1.035 \$	24,177		\$ 283,585	\$ 3,626,565	New price after 3/1 of this year
2018	1.035 \$	25,023		\$ 293,510	\$ 3,753,495	New price after 3/1 of this year
2019	1.035 \$	25,899		\$ 303,783	\$ 3,884,867	New price after 3/1 of this year
2020	1.035 \$	26,806		\$ 207,193	\$ 4,020,837	New price after 3/1 of this year
Total of Lease Payments Made after March 1st 2013 through life 2/28/20		\$ 2,288,514		\$ 2,129,699		Note that final fiscal year reduced by 4 months to allow for end of lease on Feb 28th.

\$ 2,150,000 Approx. Value 8/30/2011