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January 22, 2025

Kathy Galullo, President
Whittier Towers Apartments Association, Inc.
C/O Phoenix Management Services
4800 N State Road 7
Suite 105
Lauderdale Lakes, FL 33319

Re: Preliminary Computation for the adjusted 2026 Land Lease payment due January 2, 2026

Dear Kathy,

The U.S. Department of Labor, Bureau of Labor Statistics has, to date, recorded the Cost-of-Living Index through the end of December 2024 to be 945.413.

The "Cost of Living adjustment" in ground leases has been customarily included in long term leases to maintain a parity on the purchasing power of the base rental from year to year as it is affected by the inflation rate (vis a vis the C.P.I. Index). This is the case with The Whittier Towers Apartments Association, Inc. Sub-Lease (now referred to as the Land Lease). The Land Lease is adjusted at ten-year intervals reflecting the C.P.I. increase for the PRIOR ten years, to the benefit of The Whittier Towers Apartments Association.

It is a year in advance, and the correct C.P.I. will be through December 2025. If the calculations were based upon the current C.P.I. the Land Lease payment would be:

February Index of 110.00 (Base period 1957-1959 = 100) converted to Base (1967 = 100) equals 96.

$$\frac{\$20,002.80 \times 945.413}{96} = \$196,988.61$$

We will accept the amount of \$196,988.61 on January 2, 2026, and the difference as soon as possible thereafter, subject to the final December 2025 C.P.I. number being published. We will be contacting you again as soon as this is known.

Sincerely,

Jack S. McCulloch