

Children's Corner Lease Proposal -- April 2018 -- Cash Flow Analysis

April 2018 Proposal (10 years)

| Revenues | | | | | | | | | | | | | | | Total |
|-----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|-----------|-------------|------------------|--------------|
| Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Total | deposit | improvement | Total | |
| 2% | 105,716 | 107,830 | 109,987 | 112,187 | 114,430 | 116,719 | 119,053 | 121,434 | 123,863 | 126,340 | 1,157,561 | 1,000,000 | 200,000 | 2,357,561 | |
| 4% | 105,716 | 109,945 | 114,342 | 118,916 | 123,673 | 128,620 | 133,764 | 139,115 | 144,680 | 150,467 | 1,269,238 | 1,000,000 | 200,000 | 2,469,238 | |

| Expenses(\$2 million debt @4% interest) | | | | | | | | | | | Total |
|------------------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|--------------|
| Interest | 81,483 | 78,768 | 75,942 | 73,001 | 69,940 | 66,754 | 63,439 | 59,988 | 56,397 | 52,660 | 678,372 |
| Principal | 66,648 | 69,364 | 72,190 | 75,131 | 78,192 | 81,377 | 84,693 | 88,143 | 91,734 | 95,472 | 802,944 |
| Net (@2% inflation) | (42,415) | (40,302) | (38,145) | (35,945) | (33,702) | (31,412) | (29,079) | (26,697) | (24,268) | (21,792) | (323,755) |
| Net(@4% inflation) | (42,415) | (38,187) | (33,790) | (29,216) | (24,459) | (19,511) | (14,368) | (9,016) | (3,451) | 2,335 | (212,078) |

Notes:

\$1,000,000 deposit

Deposit credited each month -= \$100,000/year

Indoor space = \$180,000/yr (yr 1) - \$100,000 credit = \$80,000

Outdoor space = \$25,716/ mo at 3,000 sq ft

Total Annual rent = \$80,000+\$25,716 =\$ 105,716

Loan principal/interest is estimated for a 20-year loan of \$2 million with an interest rate of 4%.

Remaining Principal after 10 years: \$1,197,056

Children's Corner Lease Proposal -- April 2018 -- Cash Flow Analysis

| Year | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Rent @3% Inflation | | 105 | 108 | 111 | 115 | 118 | 122 | 125 | 129 | 133 | 137 |
| Principal | 2,000 | 1,975 | 1,946 | 1,912 | 1,874 | 1,831 | 1,782 | 1,728 | 1,668 | 1,602 | 1,529 |
| Interest | | 80 | 79 | 78 | 76 | 75 | 73 | 71 | 69 | 67 | 64 |
| Principal Repayment | | 25 | 29 | 34 | 38 | 43 | 48 | 54 | 60 | 66 | 73 |

| Year | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
|---------------------|-------|-------|-----|-----|-----|------|-------|-------|---------|---------|
| Rent @3% Inflation | 276 | 284 | 293 | 302 | 311 | 320 | 330 | 340 | 350 | 360 |
| Principal | 1,314 | 1,082 | 833 | 564 | 276 | (33) | (364) | (718) | (1,097) | (1,501) |
| Interest | 61 | 53 | 43 | 33 | 23 | 11 | (1) | (15) | (29) | (44) |
| Principal Repayment | 215 | 232 | 250 | 268 | 288 | 309 | 331 | 354 | 378 | 404 |

| Year | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Rent @4% Inflation | | 105 | 109 | 114 | 118 | 123 | 128 | 133 | 138 | 144 | 149 |
| Principal | 2,000 | 1,975 | 1,945 | 1,909 | 1,867 | 1,819 | 1,764 | 1,702 | 1,632 | 1,553 | 1,466 |
| Interest | | 80 | 79 | 78 | 76 | 75 | 73 | 71 | 68 | 65 | 62 |
| Principal Repayment | | 25 | 30 | 36 | 42 | 48 | 55 | 62 | 70 | 78 | 87 |

| Year | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
|---------------------|-------|-----|-----|-----|-----|-------|-------|---------|---------|---------|
| Rent @4% Inflation | 305 | 318 | 330 | 344 | 357 | 372 | 386 | 402 | 418 | 435 |
| Principal | 1,219 | 950 | 658 | 341 | (3) | (375) | (776) | (1,209) | (1,675) | (2,177) |
| Interest | 59 | 49 | 38 | 26 | 14 | (0) | (15) | (31) | (48) | (67) |
| Principal Repayment | 247 | 269 | 292 | 317 | 344 | 372 | 401 | 433 | 466 | 502 |