

INFLATION FACTOR CALCULATION

Calculated using the most recent 12 months of data available from the Boeckh Index.

$$\begin{array}{r}
 \text{(August 1, 1999)} \qquad \qquad \text{(August 31, 1997)} \\
 \hline
 1937.9 \quad - \quad 1889.3 \quad \times \quad 100 = 2.57\% \text{ or } 2.6\% \text{ Inflation Factor} \\
 \hline
 1889.3
 \end{array}$$

Notes: Previously, Boeckh Index information was obtained from the Construction Review, a government publication that periodically revised the base year. The Construction Review is no longer printed and the indexes were obtained directly from Boeckh who has not revised the base since 1929.

The above inflation factor was calculated using the most recent data available prior to the Board Meeting. The actual inflation factor to be applied on 1/1/00 will be calculated using the most recent data available at that time.