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FILE NO.:

April 9, 2013

Balboa Capital Corporation
2010 Main Street 11th Floor
Irvine, CA 92614

RE: Gazzani Motors, Inc. Lease Number 142141-000

Dear Sir/Madam:

Please be advised that this office represents Gazzani Motors, Inc. with regard to the above referenced lease. The lease was to expire on June 1, 2013. The lease was amended to have a zero percent "fair market value no residual". Thus, upon the lease termination, title should have been transferred to my client. Instead, Balboa has maintained that because 180 days notice was not given, the lease is extended for an additional one year term. Such a position is clearly contradicted by your own paragraph 16, as there was no residual value on this lease. Please send us a confirming letter indicating that the lease is completed, the equipment belongs to Gazzani Motors and that any remaining monies will be immediately refunded.

Thank you for your courtesy and kind cooperation.

Very truly yours,

Joseph Lewis Nackson

JLN/jr

cc: Gazzani Motors, Inc.