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# Lease Structure

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- Absolute “bond type” lease in order to obtain the lowest financing and rental cost for the Owner and Tenant, respectively. Such a lease provides that the Tenant will be responsible for all of the costs of the Project including base rent, all operating expenses of the Project including facility and asset management fees and all capital expenditures necessary to maintain the project.
- Rent to commence at a fixed date in the future without any uncertainty.
- Tenant’s base lease rate (before expenses) to equal x% of debt service payments on the financing obtained of the project.
- Purchase Obligation – At the end of the Lease Term, the Tenant will be obligated to purchase the Project from the Owner for a pre-determined price equal to x% of any remaining debt or equity invested in the project.
  - Purchase to occur at a fixed date in the future without any uncertainty.
- Lease Commencement Date to be determined between the Owner and Tenant.
- Lease Guarantor – all lease obligations of the Tenant will be subject to and unconditional guaranty by an appropriate government entity with a string investment grade credit rating (BBB or higher).

