

NNN Lease Process

Funding Information

Type of Financing: *Lender* offer a financing vehicle for institutional size transactions where there is an absolute and unconditional obligation from an investment grade rated entity (Corporate or Government). This can be in the form of a contractual obligation (Maintenance Agreement, Supply Agreement, License Agreement, etc.) or a financial instrument such as Irrevocable Letter of Credit, Guaranteed Investment Certificate, Treasuries, etc. Any recipient of such an obligation has the ability to monetize these future payment streams at institutional rates.

Recourse/Non-Recourse: Transactions are non-recourse to our clients. 100% of the recourse is to the Obligor making the payments.

Fixed Interest Rate: The interest rate is determined by a combination of the credit worthiness of the Obligor, industry type (sector) and length of repayment term. These are institutional rates, which guarantee an extremely competitive rate. The rate is fixed for the entire repayment term and Lender has the ability to lock in an interest rate up to 3 months prior to settlement.

Fees: Lender does not charge any origination fees. Further, there is no requirement to grant equity (stock, options, warrants, etc). Only origination fees are ones that have been agreed on between the broker of record and Borrower.

Application: There is no application.

Investor(s): Lender works with a number of institutional investors (major insurance companies and pensions). Lender has been able to develop excellent relationships over the past 15+ years which allows this excellent program to be offered. Depending on the investment grade rated entity, industry type and other deal variables will determine which institutional investor is used for a particular transaction.

Repayment Installments: Repayments are made in monthly, quarterly, semi-annual or annual installments.

Flexibility: Financing structure is completely flexible in the areas of structure, term, scheduled repayment amounts and deferred repayment periods.

Funding Period: Funding is typically within 5 business days of receipt of completed final documentation.

Documentation: Contracts/Agreements you have with your customer may have to be modified to meet our requirements. Lenders Attorney will work with you to ensure the proper language is in the Contract/Agreement or provide an Amendment to the documents. Below is an example of the type of language that would need to be incorporated into the documentation. There would also need to be some standard assignment language as well as other non-material documents.

“Notwithstanding anything to the contrary contained herein, and irrespective of the amounts of services actually provided to the Customer by Contractor, Customer hereby promises to pay to Contractor a minimum of \$_____ on the two year anniversary of the contract (the “Required Minimum Payments”). Customer’s payment of the Required Minimum Payments is absolute and unconditional and the rights of Contractor to receive an amount from Customer of no less than the Required Minimum Payments shall not be subject to any defense, including but not limited to the bankruptcy or insolvency of Contractor, set-off, counter claim or recoupment which Customer may have against Contractor for any reason whatsoever.”

Transaction Process Flow

The following flow represents the typical steps in *Lenders* transaction. The time frames are based on each party to the transaction responding expeditiously to their respective tasks.

1. Submission of Project Overview, Executive Summary, and Identification of *Obligor* for *Lenders* review.
2. We will arrange a conference call/meeting between *Lender* and *Borrower* to discuss project and parties involved.
3. If the *Obligor*’s credit rating/finances is acceptable to *Lender*, the following information must be provided to Lender:
 - a. Detailed contact information on all parties (including *Obligor*) involved in the transaction.
 - b. Detailed write up/description of the transaction and financing request.
4. After the *Lender* has completed review of information provided from 3 above, we would arrange a meeting between representatives of the *Lender*, *Borrower* and *Obligor* to review the financing program and confirm all parties’ willingness

to proceed.

5. *Lenders* attorney will work with the *Obligors* and *Borrowers* attorney to verify the wording in the agreements for unconditionally agreement to pay by the *Obligor* for the financing provided by *Lender* in case of non-payment by the *Borrower*.

6. *Lender* Formal transaction details (conditional term sheet) will be presented to *Borrower* with conditional approval.

- a. Any required document/agreement changes will be detailed.
- b. List of all closing document drafts and legal opinions will be detailed.

7. *Obligor* and *Borrower* will provide *Lender*:

- a. All required documents/agreements with required changes
- b. Legal opinions will be presented for review

8. When all closing document drafts and legal opinions are received and accepted by *Lenders* counsel, transaction closing will be scheduled.

9. Money will be wired 48 hours after execution of documents, in satisfactory form, when received by *Lender*.

All transactions are considered unique and will have their own requirements for a successful close.