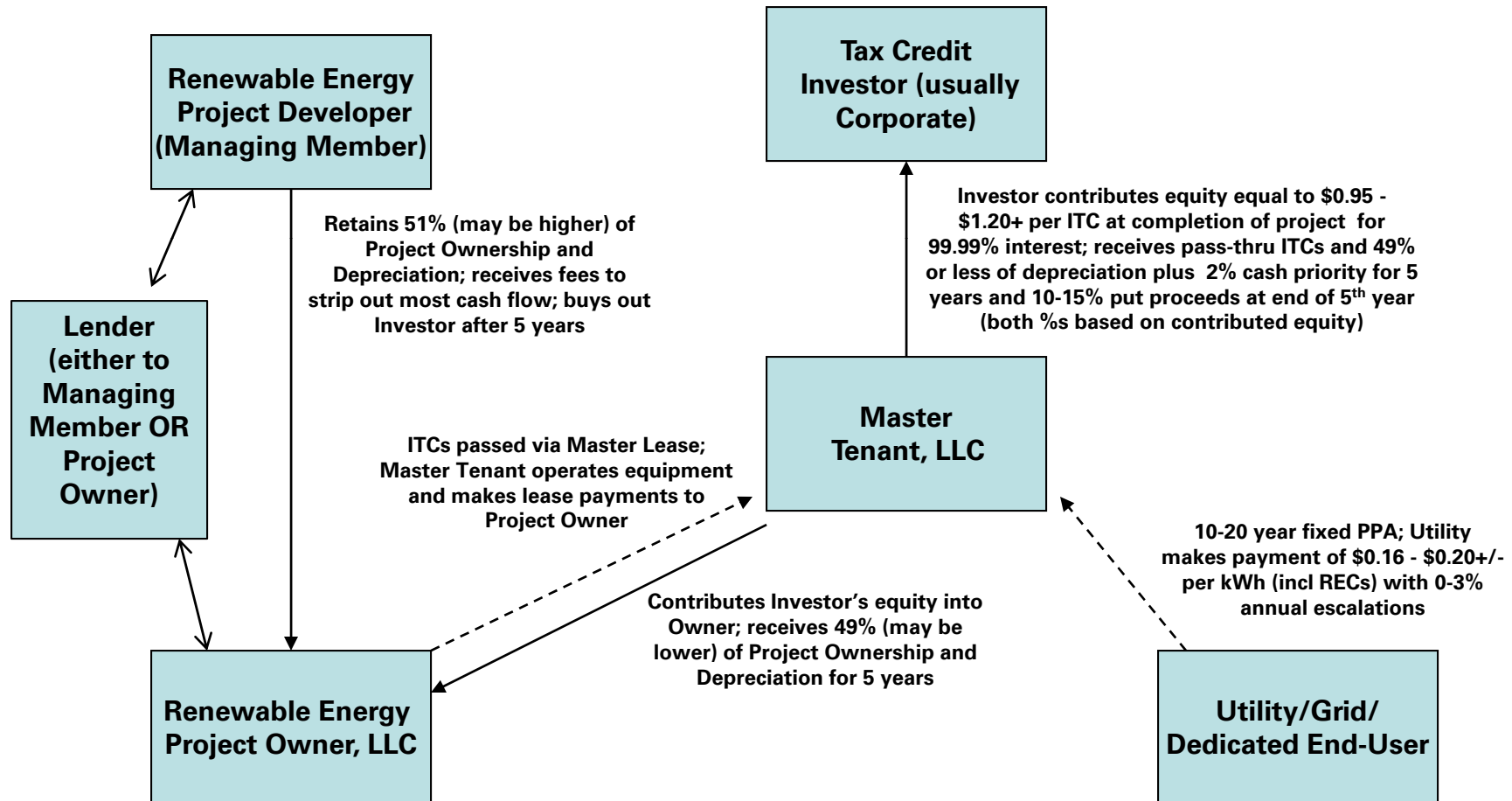




Master Lease Pass-Thru Structure





Benefits of Master Lease Pass-Thru

- Master Tenant receives allocation of eligible costs – eligible for Energy Investment Tax Credit or § 1603 payment and NC RETC
- Property remains part of Project Owner (Lessor) Entity
- Cash to Lessor via Lease Payment and Fees
- Cash distributions to Investor controlled
- Eliminates reduction of depreciable basis. Instead, income is picked up at Master Tenant for 50% of ITC or § 1603 payment.
- Exit Taxes for Investor reduced (less depreciation allocated)
- Increased Pricing for Credit
- Better management of economics shared with Tax Investor