




GREENWORKS
LENDING



GREENWORKS LENDING



Greenworks is a rapidly growing company that finances energy-saving upgrades in commercial, industrial, non-profit and multi-family buildings.

Our mission is to make clean energy smart business

ROADMAP

1 STATE OF THE UNION

What is holding commercial clean energy back?
How can PACE help?

2 PACE CLOSSES DEALS

Solve the credit challenge
Transform project economics
Flexibility, flexibility, flexibility

3 WORKING WITH GREENWORKS

How do my projects get approved?
How does Greenworks help?
What could go wrong?
How do I get started?

The background is a vibrant green with a gradient. It features several semi-transparent circles of varying sizes and colors, ranging from light yellow to light green. A large, prominent circle is centered in the upper half of the image. Other smaller circles are scattered throughout, some overlapping each other. The overall effect is clean and modern.

**COMMERCIAL CLEAN ENERGY
STATE OF THE UNION**

COMMERCIAL MARKET LAGGING...

40%

Commercial
Building stock



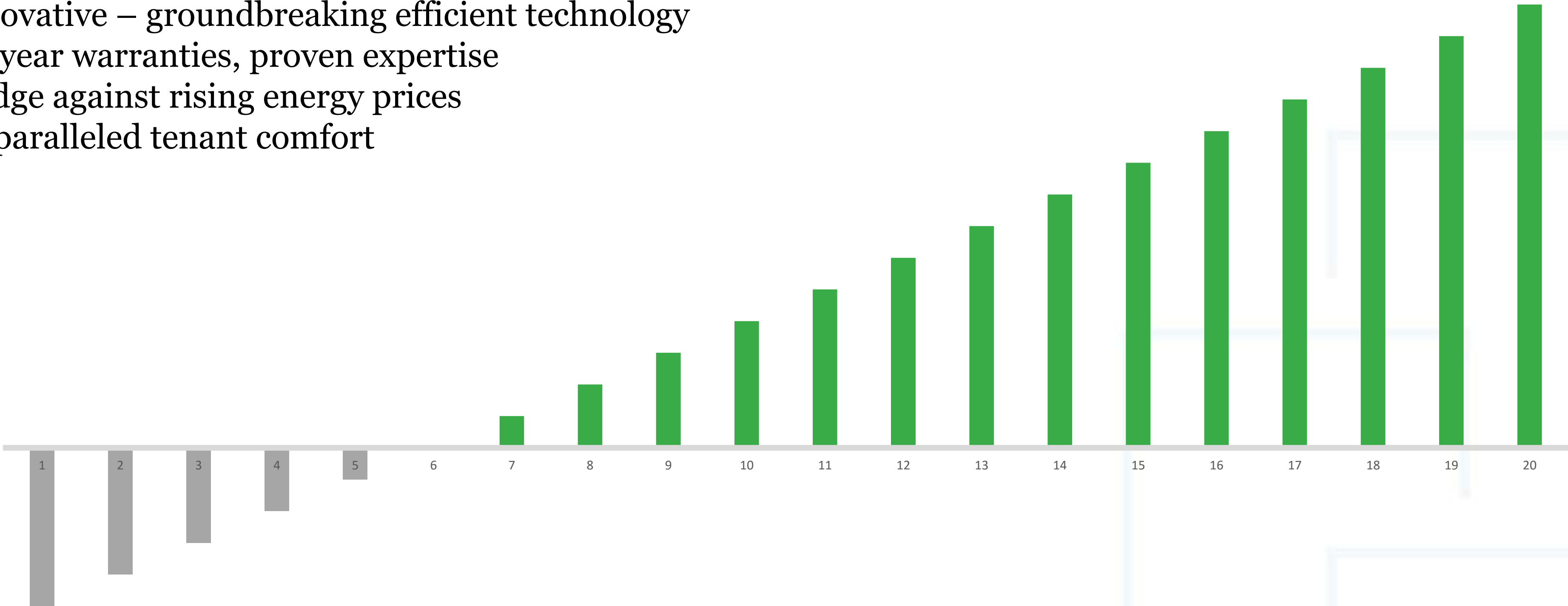
<5%

Commercial
Proactive Energy
Efficiency Spend

OPPORTUNITY IS EVERYWHERE...

What you **PITCH**...

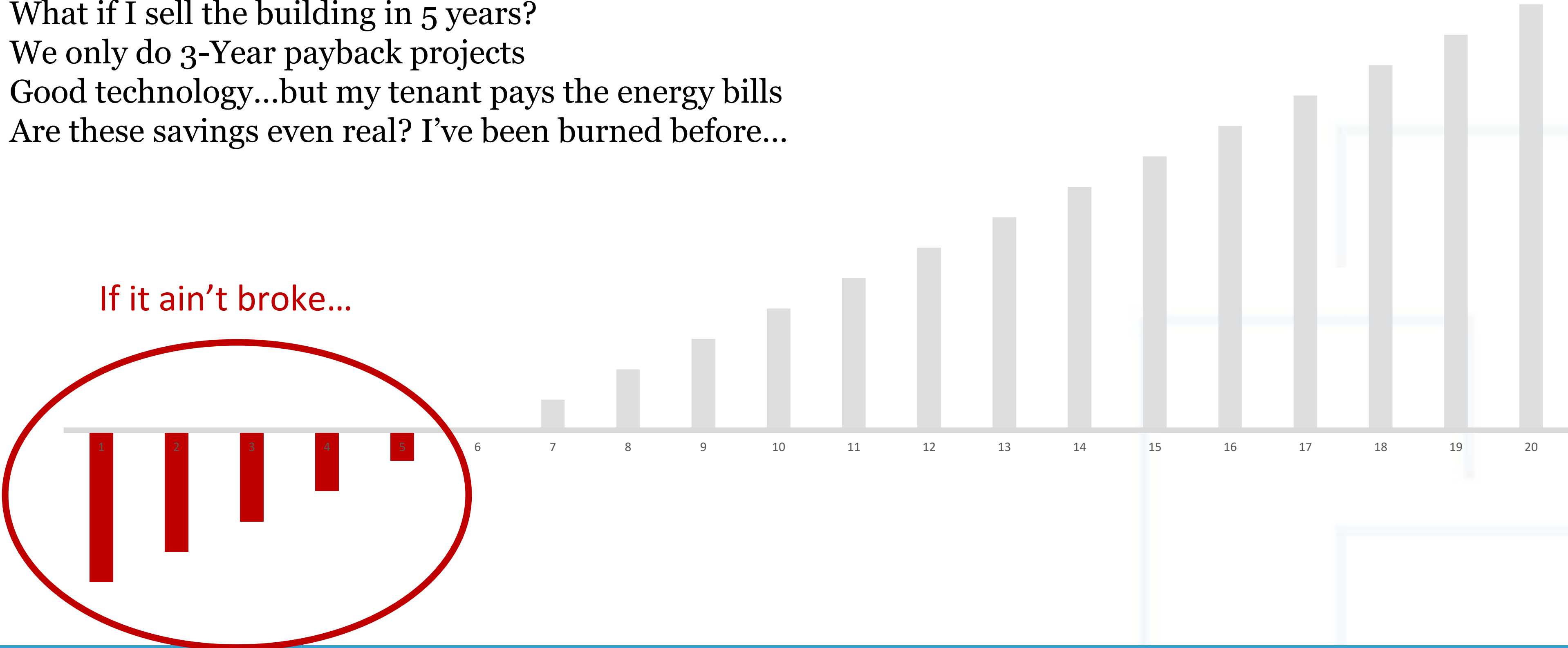
- ✓ Strong ROI – will save \$5.6M over system life
- ✓ Innovative – groundbreaking efficient technology
- ✓ 20-year warranties, proven expertise
- ✓ Hedge against rising energy prices
- ✓ Unparalleled tenant comfort



...BUT COMMERCIAL OWNERS NEED “NOW”

What the CFO/Owner **HEARS**...

- X Where will I get the funding?
- X What if I sell the building in 5 years?
- X We only do 3-Year payback projects
- X Good technology...but my tenant pays the energy bills
- X Are these savings even real? I’ve been burned before...



PACE IS TRANSFORMING ENERGY EFFICIENCY

Property Assessed Clean Energy (PACE) is a government financing policy that classifies energy-saving upgrades as a **public benefit** – like a sewer, road extension, etc.

100% of hard and soft costs are funded by private capital and repaid via a surcharge on the property tax bill.

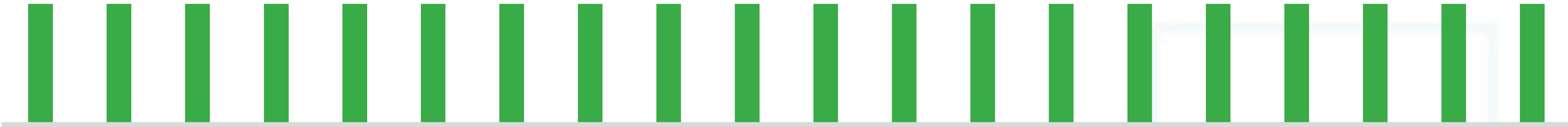
Payback periods match equipment life (often 20+ years)...

...this makes **most projects cash flow positive from day one.**

PACE CREATES AN INCOME STREAM

How **PACE HELPS**...

- 1. 100% up front funding of all hard and soft costs
- 2. 20+ Year repayment term = **immediate income source**
- 3. Obligation transfers automatically on sale
- 4. Doesn't tie up borrowing capacity
- 5. Savings validated by third party review



CLOSING DEALS WITH PACE

MOST ENERGY AND WATER PROJECTS QUALIFY

- ✓ High efficiency lighting
- ✓ Automated building and HVAC controls
- ✓ Variable speed drives (VSDs) on motors fans and pumps
- ✓ High efficiency chillers, boilers, and furnaces
- ✓ High efficiency hot water heating systems
- ✓ Combustion and burner upgrades
- ✓ Fuel switching (ex. oil to gas conversions)
- ✓ Water conservation
- ✓ Heat recovery and steam traps
- ✓ Building enclosure/envelope improvements
- ✓ Building management systems
- ✓ Renewable energy systems
- ✓ **Associated permitting and other soft costs**
- ✓ Etc...



MOST COMMERCIAL BUILDINGS QUALIFY

Building Requirements

- ✓ Commercial, Industrial, Non-Profit, Multi-Family >5 Units
- ✓ Does NOT work for residential, government
- ✓ Located within operational PACE municipality
- ✓ Current on property taxes

Financial Requirements

- ✓ Financed amount generally limited to 35% of property value – up to 20% in some cases.
- ✓ Total property debt (mortgage + PACE) cannot exceed 95% of property value – also may vary by state.
- ✓ Not in bankruptcy
- ✓ Meets other state statutory requirements

The background is a vibrant green with a gradient from light to dark. It features several overlapping circles of varying sizes and opacities. A large, semi-transparent white circle is centered in the upper half. Other smaller circles are scattered throughout, some appearing as bright highlights and others as faint, ghostly shapes. The overall effect is a modern, abstract design.

NUTS AND BOLTS

THE GREENWORKS PROCESS

1 **PRESCREEN**
Is the property eligible?
How much can we finance?

2 **DEVELOPMENT AND UNDERWRITING**
Financial underwriting
Mortgage lender consent
Technical review

3 **APPROVAL AND CLOSING**
PACE administrator approval
Closing
Construction!

PRESCREEN

You Need To...

Submit as much info as you have (at least an address) to the Program Administrator and Greenworks

We Look For...

- ✓ Is property in a **PACE eligible municipality**?
- ✓ **Commercial** property (including industrial, multi-family >5 units)?
- ✓ How much financing is available? In most markets...
 - **35% for standard property types** (office, retail, manufacturing, hospitality, etc.)
 - **20% for special use properties** (ex. non-profits, farms, ice rinks, sports complexes, etc.)
- ✓ Check for tax delinquencies, severe environmental issues, or other disqualifiers

We Help You...

Verify project is eligible - allowing you to pitch PACE with confidence

Create a cash flow calculator on request

Point out potential potholes or nuances

FINANCIAL UNDERWRITE

You Need To...

Connect us with the **building owner** for a 30-minute conference call as soon as your evaluation gets “real.”

We Look For...

- ✓ Recent property appraisal (less than 5 years old) if available
- ✓ Two years of reviewed financials or two years of tax returns for the building owner
- ✓ Most recent mortgage statement with mortgage holder and principal clearly displayed
- ✓ Rent roll (if tenant occupied); if there is an anchor tenant (>50% square footage) we'll also need their financials
- ✓ Recent environmental site assessment (ESA) Phase 1 for high risk properties

We'll Also Gain Mortgage Lender Consent

Mortgage holders must sign a consent form. We'll ask the owner to introduce us to their bank and we'll talk the bank through the consent process. We have many banking relationships that can speed up the consent process, but it's best to start early!

TECHNICAL REVIEW

You Need To Send...

- ✓ Energy Audit or solar Feasibility Study
- ✓ List of energy conservation measures (ECM's)
- ✓ Estimated savings

We Look For...

The Program Administrator will conduct a **third party technical review** (review takes 5 business days) to verify the project's savings

How We Help

PACE technical requirements may vary by local jurisdiction. We help you navigate the requirements and avoid surprises.

APPROVAL AND CLOSING

You Need To Send ...

- ✓ Final construction contract and draw schedule

We Collect...

Each PACE project must be approved by the Program Administrator and the Energy Special Improvement District. We will work with the Program Administrator to submit the Financing Documents for Approval. approval takes ~20 business days. We can close on financing as soon as the project is approved!

How We Help

Navigate the approval process
Compile and submit package for approval
Gather and prepare closing documents

CONSTRUCTION

What You Need to Do

- ✓ Submit lien waivers consistent with construction schedule

How We Help

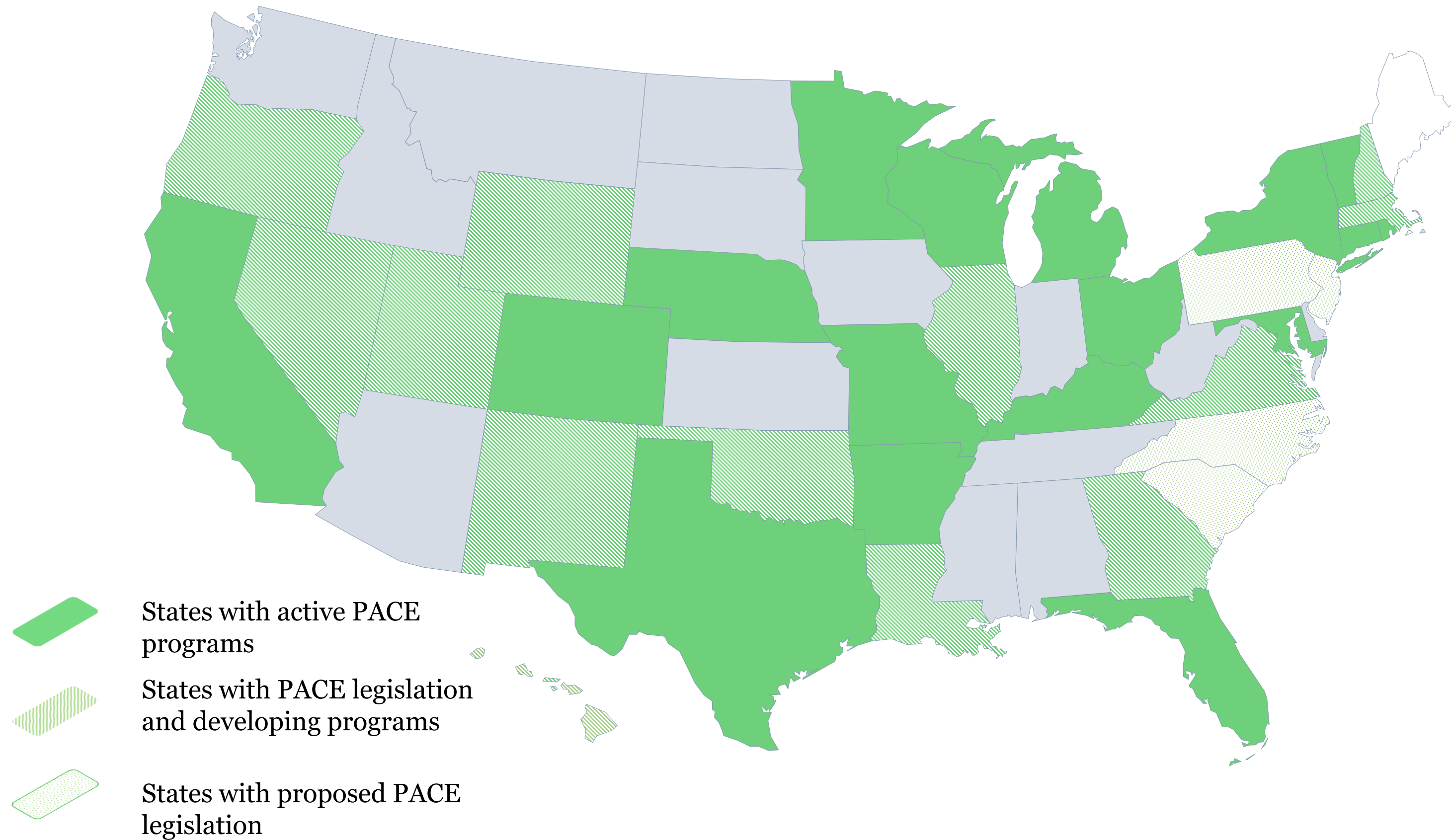
Fund project at request of owner or contractor through construction
24 hour turnaround time for advances
Simple, easy to use draw schedule

WHY GREENWORKS

- **We know PACE** – Greenworks team has closed more commercial PACE projects than anyone in the country
- **We support your sales process** – Greenworks is your full partner in closing your project...sales calls, meetings, tools available on demand
- **We operate at the speed of your business** – quick to “yes,” quick to “no” (just as important) and quick to close
- **We are the lender** – not just a middle man. Gives you piece of mind that rates, fees, and availability of capital will remain predictable.
- **Single point of contact** for multiple states and PACE programs

PACE AND GREENWORKS ARE EXPANDING

16 States have active PACE programs



2016 Greenworks Markets

CT, MD, DC, TX, RI, OH, MO, WI

- Statewide program OR standard market rules
- Low-cost administrator

2017+ Greenworks Markets

CA, MA, CO, FL, KY, MN, VA

- No statewide program / mixed markets
- Higher cost administration
- GWL cannot fund projects in 2016

Promising Pending Legislation

DE, NJ, NY

- Promising markets – **but not yet viable** – legislation or program changes pending

QUESTIONS AND NEXT STEPS



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