



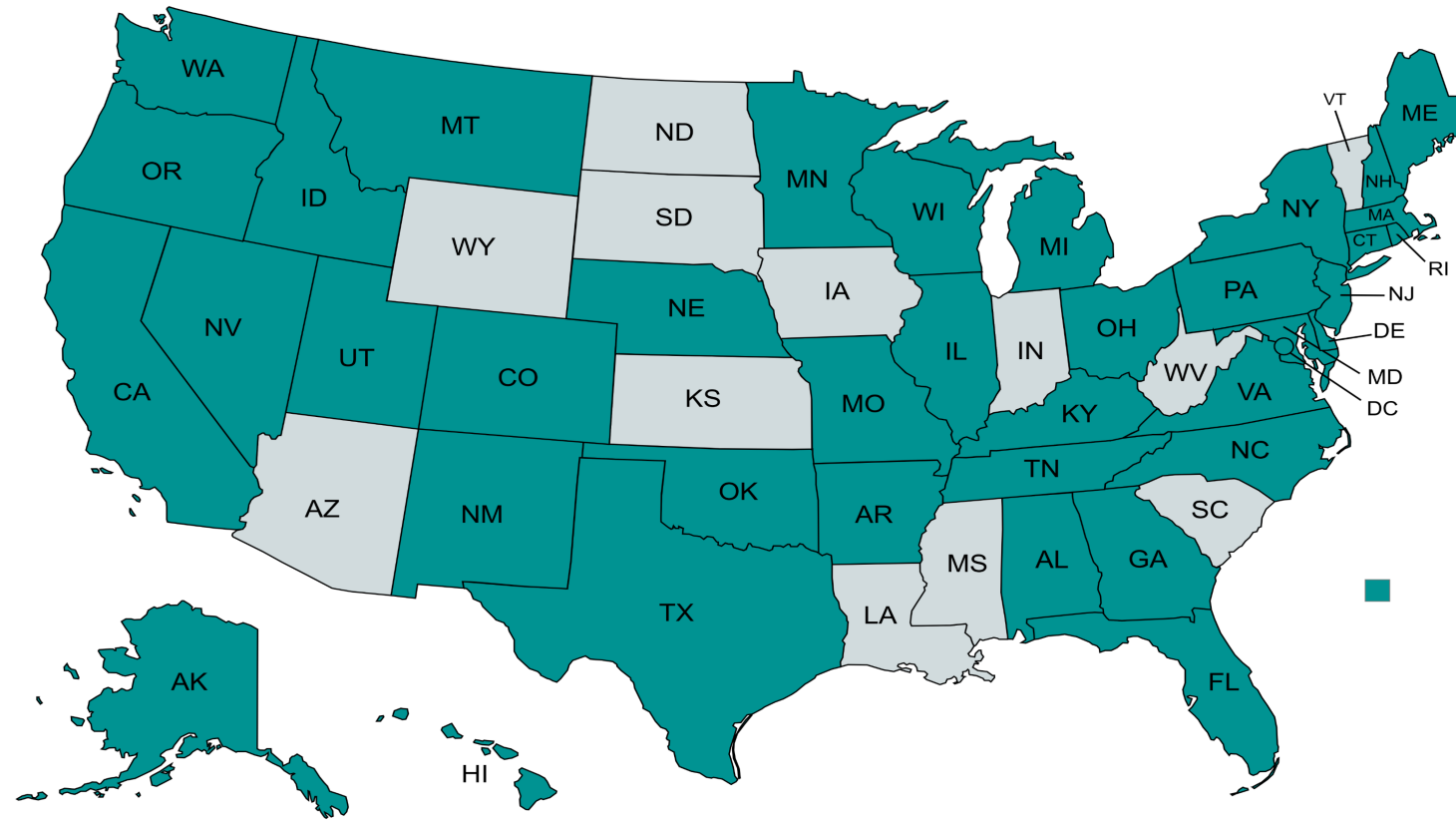
PETROS PACE
F I N A N C E

In Alliance with **Apollo**

Commercial PACE Statutor

Efficient Capital for Efficient Projects

C-PACE is authorized in 39 States (plus D.C.)



What is C-PACE?

- Property-based financing for energy and water efficiency & renewable energy PLUS seismic hardening
- Acts like an Assessment
 - Funds repaid over a long time-horizon
 - Assessment Lien resides with the building, not the owner
 - Non-accelerating – only past payments due at foreclosure.
- Cash-flow benefits to operating expenses, stabilization periods
- Secured by a voluntary tax assessment (betterment assessment under Oregon law)
- Low risk to lenders/capital providers = lower interest rates / longer repayment
- ZERO foreclosures on C-PACE properties nationwide

How it Works

- Project improvements identified (energy, water, renewable, seismic)
- Projects include both retrofits and new construction
- Project Costs Verified and Improvements certified – Engineer or Energy Manager
- Property Owner and C-PACE Capital Provider reach mutual terms for financing, including interest rate, term, etc.
- Repayment maximum term = weighted average of useful life of improvements (15-30 years)
- C-PACE repayment billed and collected directly by C-PACE Capital Provider.
- CPACE delinquencies enforced via Local Improvement District statute (ORS 223.505 et seq)

Eligible Upgrades

Typical Measures Funded by C-PACE



ENERGY EFFICIENCY

- HVAC systems
- Boilers & chillers
- Building automation & control systems
- LED lighting
- Building envelope, including insulation, windows, doors & roofing
- Motors & drives



RENEWABLE ENERGY

- Solar/solar thermal
- Fuel cells
- Cogeneration
- Geothermal
- Wind



WATER EFFICIENCY

- Low-flow plumbing fixtures
- Irrigation sensors/controls
- Greywater/wastewater recovery
- Water-efficient appliances (permanently affixed)
- Rainwater harvesting



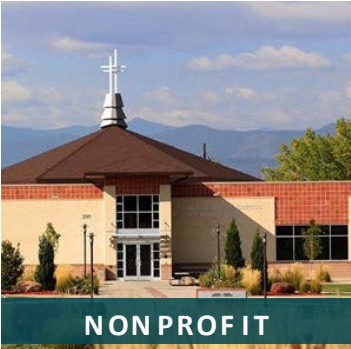
RESILIENCY

- Seismic, Wind, Climate

Who Benefits From C-PACE?

Property Types

C-PACE can fund projects for a wide variety of commercial property types.



Benefits for Owners

NO UPFRONT COSTS

Efficiency projects financed by traditional loans or through equity might not meet internal hurdle rates so projects are often delayed indefinitely

- PACE provides 100%, long-term financing of hard and soft costs with no out-of-pocket expenses
- Frees up operating and capital budgets
- Cash flow positive from Day 1 in many instances

NON-RECOURSE, NON-ACCELERATING

Most traditional forms of financing and energy performance contracts are recourse to the owner and accelerate upon sale or foreclosure

- PACE is non-recourse after completion
- Interest rate and payments are fixed over the 10-30 year term and under no circumstance, even default or bankruptcy, can they accelerate

TRANSFERABLE PAYMENT OBLIGATION

Owners are typically hesitant to invest in long payback efficiency measures if it is possible they will sell the building before recovering their investment

- PACE liens attach to the property and “run with the land”, automatically transferring from one owner to the next so the building owner only “pays for what he uses”
- Underwriting based primarily on the property

IMMEDIATELY CASH FLOW POSITIVE

Capital constrained property owners may not have budgetary capacity for efficiency projects with long payback periods

- Long repayment periods (10-30 years) mean the annual PACE payments are typically lower than savings generated by efficiency project
- Energy savings generated often outpace project costs plus the cost of financing (total PACE assessment) from Day 1
- Owner keeps any tax credits and/or rebates as a result of the project

Benefits to County

- **No Gov't debt or funding at risk:** Capital provider relies solely on property for repayment. Government has no obligation or liability for nonpayment by a property owner.
- **Minimal administrative burden:** “Check the box” administrative model reduces staff review time or can be delegated to third party for application reviews and approval recommendations.
- **Assists achieve public purposes such as climate change / GhG reduction:** Improved properties are more efficient and resilient.
- **C-PACE is an economic development tool:** By incentivizing retrofits and new construction, C-PACE creates jobs in the local economy.

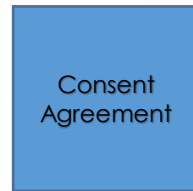


100% LENDER CONSENT

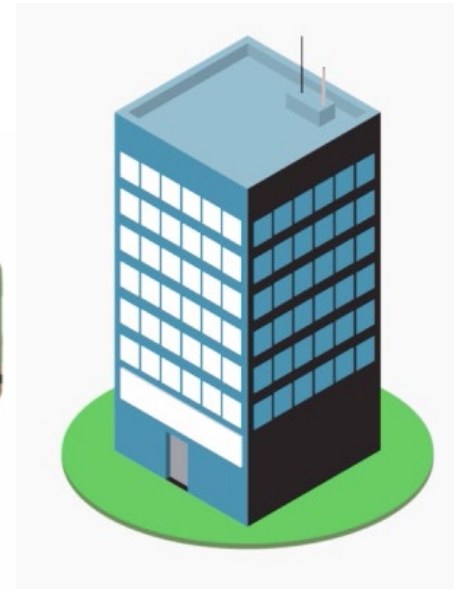
C-PACE requires consent from all mortgage holders



Property Owner



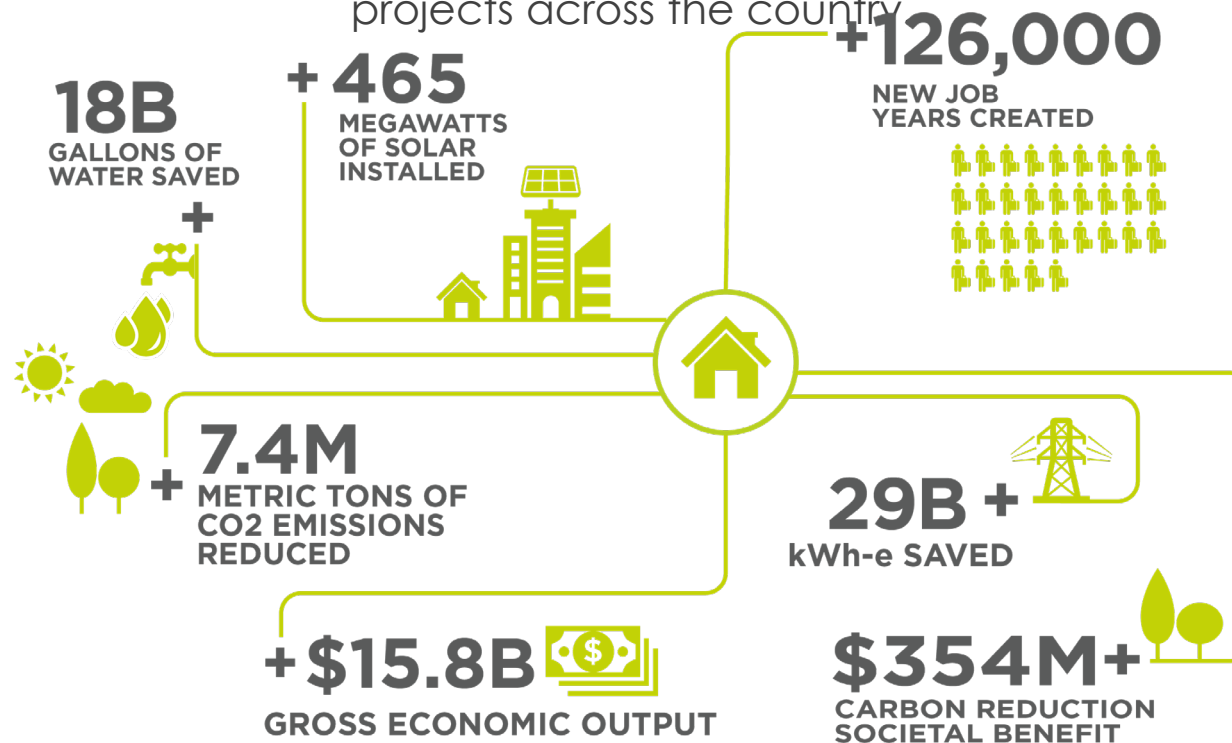
Mortgage Holder



National Industry Wide PACE Impacts

PACE has a positive impact on the environment and economy

Estimated impact¹ of \$7 billion in over 280,000 PACE industry funded energy efficiency, renewable energy, water conservation, and climate resiliency property improvement projects across the country



Equivalent to taking 1.6 million cars off the road for a year or planting 122 million trees!

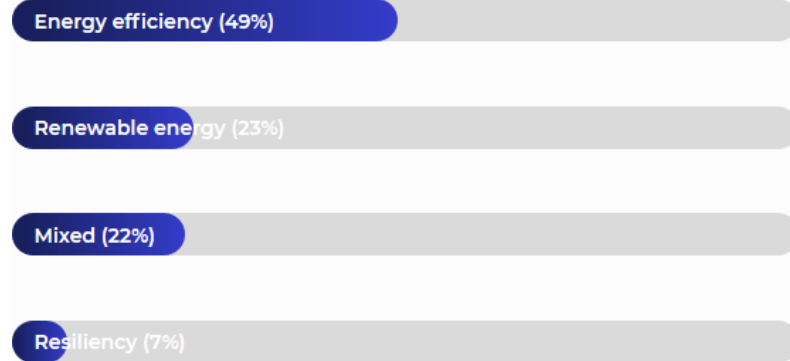
C-PACE Market Data

\$11B Invested

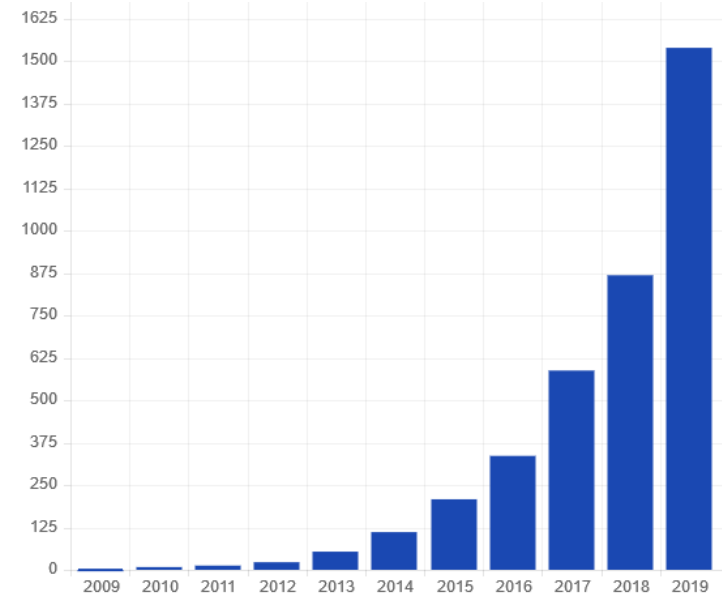
>4000 Buildings Improved

>100,000 Jobs Created

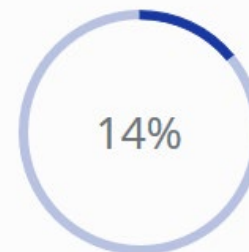
C-PACE INVESTMENT BY PROJECT TYPE



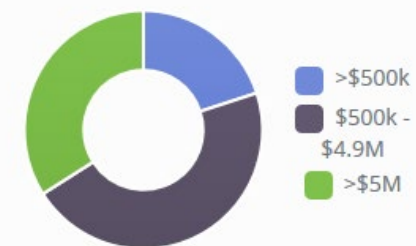
CUMULATIVE C-PACE INVESTMENT, MM (2009-2019)



% INVESTMENT IN NEW CONSTRUCTION



% INVESTMENT BY PROJECT DOLLAR AMOUNT



Petros Portfolio Client Case Study

Mixed-Use



Shamrock Development, Inc. secured C-PACE funding for their \$205M Capitol District mixed-use development in downtown Omaha, Nebraska.



C- PACE FUNDING:

\$24.9M

PROPERTY TYPE:

333-room Marriott hotel, 223-unit apartment building, and 90,000 SF of retail

SCOPE OF WORK FUNDED BY C-PACE:

Roofing, heat pumps, interior and exterior lighting, apartment building, and domestic water fixtures

"It was great working with the Petros PACE Finance team. Their experience handling large C-PACE transactions is unparalleled. The PACE financing solution will provide long-term stability for our capital stack, and it pays us back for a significant investment in energy efficiency throughout the Capitol District."

– Mike Moylan, President of Shamrock Development

Petros Portfolio Client Case Study

Student Housing



WestPac Companies secured C-PACE funding to recapitalize improvements incorporated in the construction of the NOCA Lofts student housing near Michigan State University in East Lansing, Michigan.



C- PACE FUNDING:

\$2.0M

PROPERTY TYPE:

64-unit student housing building and 17,000 SF ground-level retail

SCOPE OF WORK FUNDED BY C-PACE:

Building envelope upgrades, lighting and electrical systems

Petros Portfolio Client Case Study

Senior Living



Leo Brown Group utilized C-PACE funding for energy efficiency measures incorporated in the new construction of the Traditions of Lebanon senior living community in Lebanon, Ohio.



C- PACE FUNDING:

\$7.9M

PROPERTY TYPE:

146-unit senior living community

SCOPE OF WORK FUNDED BY C-PACE:

Comprehensive building envelope and slab upgrade, LED lighting, and HVAC

“Our mission is to develop vibrant and functional settings that serve the needs of our residents. C-PACE financing is a tremendously valuable source of funding that allows us to accomplish our mission in a more cost-effective manner. The Petros team seamlessly integrated the C-PACE financing, facilitating a smooth closing process with all the transaction parties.”

– Chris King, Vice President of Finance at Leo Brown Group

CASE STUDY
Origo Cold Storage

CALIFORNIA



CastleGreen Finance provided \$17MM in C-PACE financing for a 254,000 square-foot, cold storage almond facility located in Madera, California. The new facility is designed to provide significant energy cost savings over time and will be a great service to local farmers.

The Opportunity

California produces 80% of the world's almonds and is in strong demand in the county where the new facility will be located. When kept at the proper temperature, the integrity of almonds can be maintained for up to two years. In order to provide a solution, the sponsors were in need of effective financing for new construction.

The Solution

Through C-PACE financing, the structure not only provided long-term, low-cost financing, but is designed for significant energy upgrades, to reduce greenhouse gas emissions, and to save the borrower a total of \$3.7MM in reduced energy and water costs over the lifetime of the improvements.



\$17MM

NEW CONSTRUCTION

Provided terms to the client to support a more economically beneficial structure and help enable and create impactful energy costs.

Designed to **reduce CO2** emissions by **98.5 MT/year**

Designed to **reduce energy use by 138,909 kWh/year** through LEDs, windows, HVAC, and other energy-efficient upgrades

Designed to **save 11,462 gallons of water annually** through low-flow fixture upgrades

Designed to **add 10 new full-time jobs**

Expected energy cost saving of **\$3,736,265** over lifetime of improvements

CastleGreen Finance, an affiliate of X-Caliber Capital Holdings, LLC, is a Commercial Property Assessed Clean Energy ("C-PACE") financing affiliate that provides eligible borrowers with long-term financing to create more environmentally resilient and energy-efficient properties.

Contact Us



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Thank You!