Getting to Zero
Low Carbon Buildings

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FIRSTS IN FUNDING
SINCE 2014

FIRST PACE retroactive refinancing project

FIRST New construction PACE projects for:
- Office
- Hospitality
- Retail
- Multifamily

FIRST PACE projects to incorporate:
- Historic Tax Credits
- New Markets Tax Credits
- Opportunity Zone Funds
- TF
- Brownfields

FIRST PACE projects in AR, OH, WI,
and San Francisco, CA

FIRST New construction PACE
projects in AR, CA, CO, KY,
MO, and WI

Since 2014, PACE Equity has used PACE
legislation in new and innovative ways,
pioneering firsts to build solutions for clients.
Work with the leader.
How many capital sources are available with a lower cost for high performance (low carbon) buildings?

How many ESG offerings are available to RETAIL investors that align with the Paris climate accord?
Low Carbon PACE Product

Launching in January 2022 – starting to build portfolio in 2021.

Differentiated low cost of capital for high performance buildings.

Objective is to influence building design to reduce carbon emissions.

Present a rated and public investment grade opportunity to ESG investors.

Context

PACE Equity’s low carbon spec is in line with Paris Climate Accord climate reduction objectives.
Current Building Code Distribution

<table>
<thead>
<tr>
<th>Building Code</th>
<th>Tier 1 Improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>90.1 2016</td>
<td>8%</td>
</tr>
<tr>
<td>90.1 2013</td>
<td>16%</td>
</tr>
<tr>
<td>90.1 2010</td>
<td>18%</td>
</tr>
<tr>
<td>90.1 2007</td>
<td>35%</td>
</tr>
<tr>
<td>&lt;90.1 2007</td>
<td>37%</td>
</tr>
</tbody>
</table>

Path to Carbon Neutral Buildings

Focus on efficiency before applying renewable energy

- Energy Star: Buildings should be designed to meet or exceed the Energy Star criteria for energy efficiency.
- LEED Certification: Buildings should aim for LEED Certification, which is a universal rating system that evaluates how buildings perform in terms of energy efficiency, water conservation, and indoor environmental quality.
- Solar Panels: Solar panels can be installed on the roof to generate electricity, reducing the building's carbon footprint.
- Geothermal Heating and Cooling: Geothermal systems are efficient and have a lower carbon footprint compared to traditional heating and cooling systems.
- Water-friendly landscaping: Choosing native plants and implementing water-saving irrigation systems can reduce water usage and associated energy consumption.

Proprietary & Confidential
Whole Building Performance

Eligibility for low carbon pricing.

**Mandatory Measures:**
- Required for all projects
- 1.1 Mandatory Minimum: 90.1-2016 backstop
- 1.2 Building Envelope Improvement
- 1.3 HVAC Improvement
- 1.4 Efficient Water Heating Equipment and Plumbing Fixtures
- 1.5 Efficient Interior Lighting and Controls
- 1.6 Efficient Exterior Lighting and Controls
- 1.7 Efficient Appliances
- 4.1 Solar Readiness

**Additional Efficiency Options:**
- Tier 1: Select any two from 2.1 and 2.2
- Tier 2: Select 3 – one of which must be an envelope option (2.1)
- 2.1 High Performance Envelope Options
- 2.1.1 High Performance Envelope
- 2.1.2 High Performance Fenestration
- 2.1.3 Reduced Window-to-Wall Ratio (except conditioned warehouses which must use high speed doors)
- 2.1.4 Reduced Thermal Bridging
- 2.1.5 Air Barrier Continuity
- 2.2 All Other Additional Efficiency Options
- 2.2.1 High Performance HVAC
- 2.2.2 High Performance Hot Water Heating
- 2.2.3 Enhanced Interior Lighting Controls
- 2.2.4 Advanced Metering and Energy Monitoring

Process

Best to get engaged during the design process

- Execute Commitment
- Design review & consulting
- Low Carbon Gap Analysis
- Project Impact Report
- NBI Recognition & Promotion

**PACE Equity Low Carbon Ambassadors**

**PACE Equity Energy Engineering**

Our goal is to help our clients build low carbon buildings at minimal incremental cost. This results in greater investor ROE and environmental impact.

Exit strategy – if the incremental cost to achieve low carbon performance is not compelling – client will have base PACE Equity offer not dependent on building performance.
Reward and Recognition

In addition to lower cost capital, reduced carbon emissions, and a higher return on equity, developers will receive:

- Plaque from PACE Equity and New Buildings Institute
- Announcement from New Buildings Institute
- Registry and presence on NBI Getting to Zero Leaders Circle (web profile of company and project)
- Press release from New Buildings Institute
- Video interview of project stakeholders – posted on NBI site