



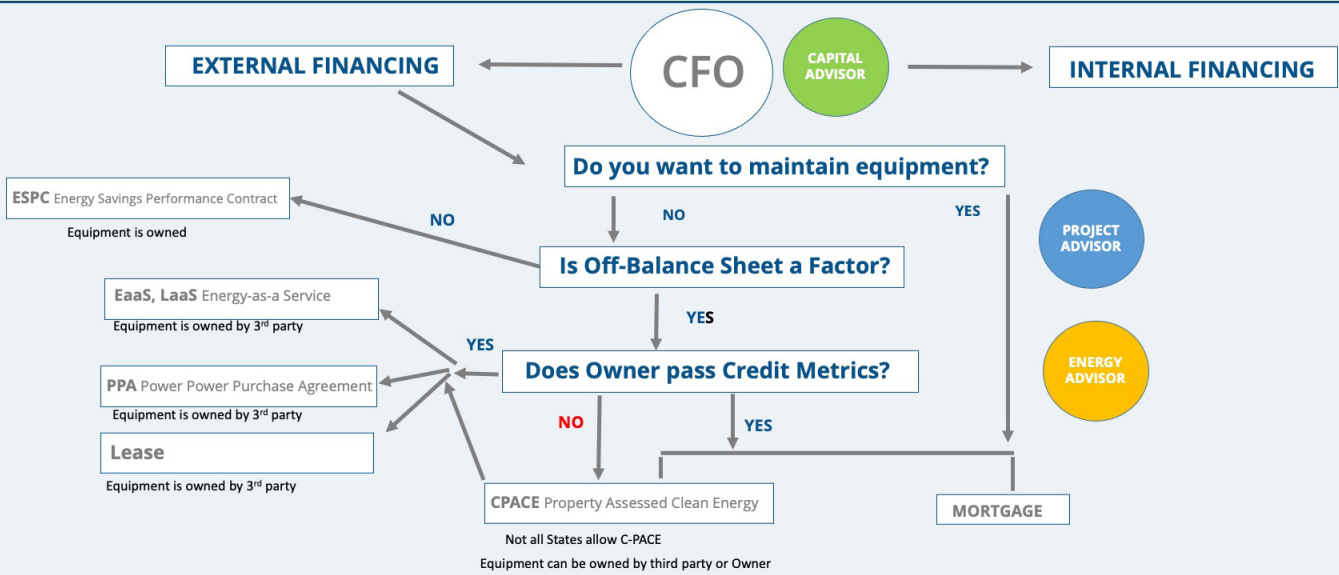
Financing Decarbonization and Net Zero Building

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FINANCING DECISION TREE

Many Decisions to decarbonize a Property



C-PACE VS. THIRD PARTY OWNERSHIP

STRUCTURE	C-PACE	PPA/ESA/EAS
Ownership	Property Owner	Third Party
Owner's Credit	NA	Investment Grade
Balance Sheet Treatment	Off	Off
Incentives	Owner	Third Party
Pass costs to Tenants	Yes	No
Payments	Fixed	Performance
Maintenance	Owner (prepaid)	Third Party
Delay Payments	Yes	No
Due on Sale	No	Maybe
Term (year)	5-30	7-25
Upfront Cost to Owner	None	None
Lender Consent	Yes	No



BACKLEVERAGE PPA

\$11.5 Million | Industrial | Findley, Ohio

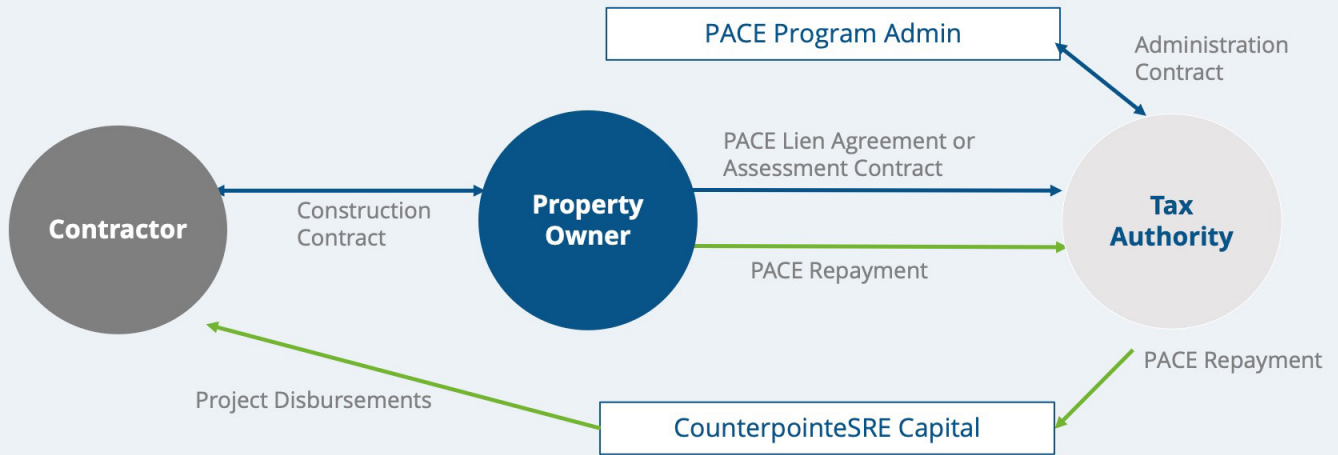
Parameters

- Investment grade credit
- Vacant land
- 5.75 MW
- Carbon offset 13,034



C-PACE FINANCING MECHANISM

Comparable to a municipal bond conduit structure, PACE cashflows pass thru municipal authority



Similar to infrastructure improvement bonds, repayments are made through the property tax mechanism as a non-ad valorem assessment levied against the property by the local governmental taxing authority

100% RENEWABLE ENERGY GOAL FOR ALL DOMESTIC BEER PRODUCTION

\$1 Million | Light Industrial | Anaheim, CA

The Challenge:

- Facility sought non-recourse, off-balance sheet financing of solar during repositioning of Golden Road Brewing

The Result:

- No capital outlay
- Anticipated reduction of 182.36 MT CO₂e per year from this facility
- Anheuser-Busch goal of 100% renewable energy for brewing



NEAR NET ZERO RETROFIT WITH NNN LEASES

\$3.7 Million | Class B Office | Maryland

Real Estate

- Class B Office valued at \$7.6MM

Results

- Valuation increase \$4.7MM
- \$5.1MM tenant savings over 20 yrs
- Tenants repay the special assessment
- \$1.45MM owner realized incentives
- 1,181 MTCO₂e annual reduction



\$4.7MM increased in property value with no capital expenditure and repaid by tenants

FULL STACK LOWERS COST OF CAPITAL & FINANCES DECARBONIZATION

\$122 million | Class A Multifamily | Flower Mound, Texas

The Challenge:

- With rising interest rates, developer sought to reduce the weighted average cost of capital

The Solution:

- Joint \$122 million full stack construction financing with 3 years of no repayment

The Result:

- \$3 million savings in financing costs from lowered blended rate
- \$17 million in estimated utility cost savings with additional \$9.15MM reduction in O&M



All electric HVAC through heat pump VRFs contribute to the building's projected annual reduction in greenhouse gas emissions of 1,087 MTCO₂e

THE INTERSECTION OF ENERGY FINANCE AND COMMERCIAL REAL ESTATE

Solutions Based Financing



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