

Unlocking Clean Energy Savings

California PACE™

Property Assessed Clean Energy



Who is FIGtree Energy Resource Company?

Formerly Public Finance Solutions & Engineering

- Bond financing experience over \$1B
- Funding expertise for government agencies
- Financial solutions for Power Purchase Agreements (PPA)
- Monetized solutions for Energy Savings Company (ESCO) model

Construction experience over \$500M (Real Estate Development and Wireless Infrastructure)

- Provides Project Management
- Provides Construction Management

Financial Analysis for Solar and Wind Projects

Compliance Solutions for Energy Legislation

Supply Chain Integration

Author and Administrator of California PACE (Commercial and Select Residential Properties)

Author and Administrator of Energy HELP (Residential Home Efficiency Loan Program)



Property Assessed Clean Energy (PACE) Primer

What is PACE?

- A financing mechanism created by California Assembly Bill 811 (“AB-811”), which provides that financing for energy retrofits may be secured by a voluntary lien on California properties.

What is the California PACE™ difference?

- No money down, property-based financing for energy and water efficiency improvements;
- FIGtree funds projects by issuing taxable revenue bonds secured by the improved property;
- It’s available statewide:
 - Currently active in 9 cities
 - By September, active in 12 cities;

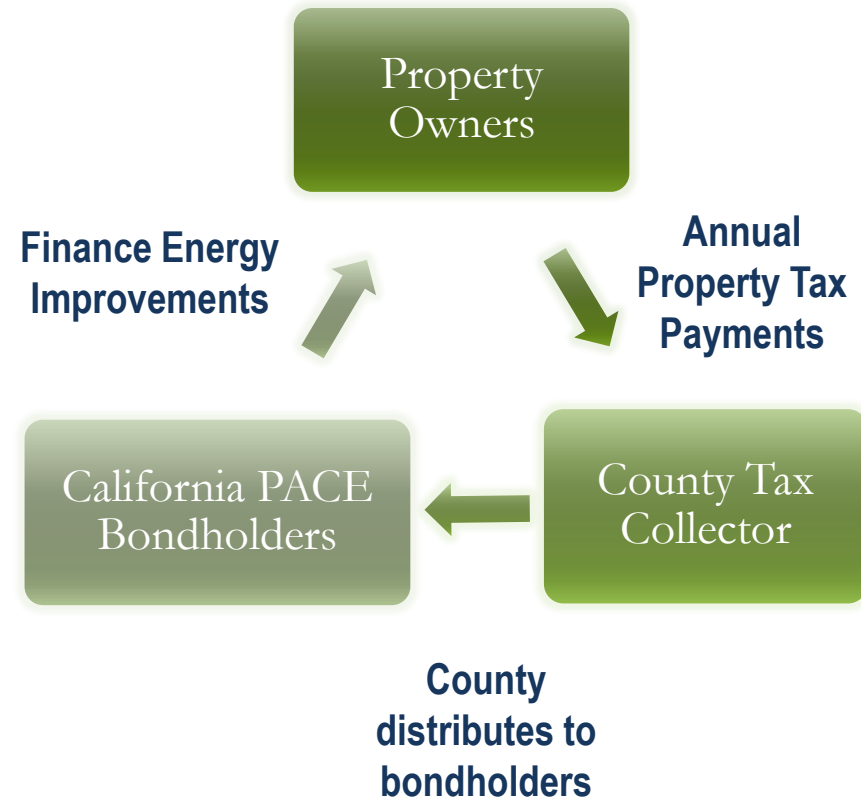
Why access California PACE™ financing?

- Save energy, save money
 - Energy Efficiency Measures save property owners money by reducing energy usage
 - Retrofits create new jobs and put money on the streets
 - Monetary savings put cash back into communities

How California PACE™ Works

FIGtree Is the Hub of Clean Energy Finance

- **Adopt:** Cities and Counties adopt California PACE™
- **Apply:** Contractors and Property Owners apply
- **Lien:** When a Property Owner is approved, FIGtree administers a tax lien to secure the financing
- **Sell Bonds:** FIGtree coordinates the sale of bonds and proceeds are used to finance improvements
- **Install:** Approved Contractors install improvements
- **Inspect:** FIGtree ensures project completion
- **Pay:** FIGtree coordinates distribution of bond proceeds to Approved Contractors for completed work
- **Collect:** Property Owner makes annual repayments to county collector via property tax bill
- **Distribute:** FIGtree coordinates distribution of semi-annual coupons to bondholders



A Compelling Value Proposition

Overcome Complex Qualifications

It's easy to qualify; because of the high credit quality of California PACE™ lien assessments, there is **no need for personal credit checks or down payments.**

Gain Positive Cash Flows

Property owners can realize energy savings that exceed financing costs, generating **positive cash flows from Day 1**, eliminating payback period analysis.

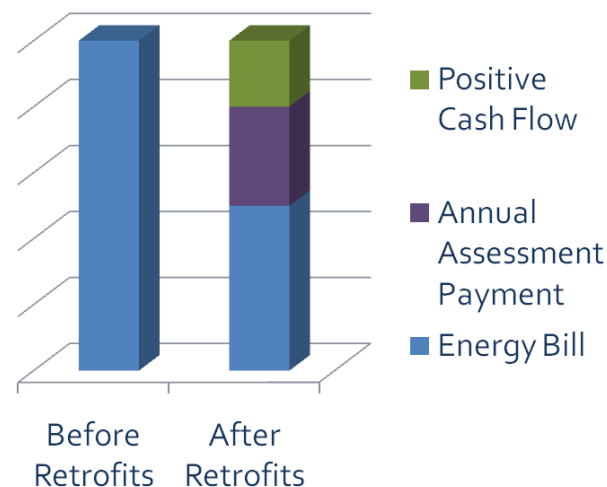
Hedge Against Rising Energy Costs

Renewable energy retrofits can lock in **low energy prices for up to 20 years.**

Pay Only for What You Use

California PACE™ financing transfers with the sale of your property, so **financial benefits directly offset costs.**

Retrofits Can Generate Positive Cash Flows



Sample Savings Analysis

Excerpt from the Comprehensive Energy Audit Report

Recommended Measure	<i>Estimated Installed Cost</i>	<i>Annual Cost Savings</i>	<i>Estimated Rebates</i>	<i>Simple Payback (Years)</i>	<i>Asset Value Increase (7.5% CAP)</i>	<i>Value Multiple</i>
<i>No / Low Cost Measures:</i>						
1. HVAC Time Scheduling	\$200	\$37,811	\$0	0.0	\$504,147	22520.7X
2. Weather Stripping	\$1,000	\$1,050	\$152	0.8	\$14,000	14.0X
3. Economizer Repair	\$14,000	\$10,308	\$0	1.4	\$137,440	9.8X
4. CHW Supply Temp. Reset	\$15,000	\$12,945	\$11,744	0.3	\$172,600	11.5X
<i>Capital Measures:</i>						
5. Replace Boiler w/ High Eff. Boiler	\$35,000	\$2,645	\$2,645	12.2	\$35,267	1.0X
6. Add Variable Speed Drives to Fans	\$50,000	\$56,889	\$13,669	0.6	\$758,520	15.2X
7. Lighting Retrofit	\$92,000	\$17,252	\$10,673	4.7	\$230,027	2.5X
TOTAL	\$ 207,200	\$138,900	\$38,883	1.2	\$1,852,000	11.0X

Member Cities Promote California PACE™

Member cities have promoted California PACE™ to local Property Owners and Contractors.

Water Bill Stuffers

- City of Tulare
- City of Fresno

Telephone Campaigns

- City of Fresno

Mailers and Brochures

- City of Palm Springs
- City of Tulare

CALIFORNIA PACE
Financing Energy Efficiency, Water Conservation, and Renewable Energy Improvements

Energy Efficiency Retrofits — Now in Fresno

Save Energy, Save Money with California PACE
Energy represents a major expense for California businesses—and many are wasting money every day on energy-inefficient commercial properties, diverting resources from key activities. Energy efficient upgrades can save companies loads of cash. But they also require a capital investment. Finally, there is an economically sustainable way to achieve energy cost savings while creating a cleaner environment and launching California businesses into a more competitive future.

California PACE approved energy and water efficient retrofits are a smart use of capital. Financing efficient improvements through the California PACE Program can generate positive cash flows while preserving your capital, allowing you to obtain all the benefits of energy efficiency while keeping your cash free for deployment.

California PACE is administered by Public Finance Solutions & Engineering, bringing you unparalleled professionalism in the development of assessment districts and management of public finance programs. We at Public Finance Solutions & Engineering invite you to get acquainted with California PACE to learn how our program for financing energy efficiency improvements can save you money, make your business more financially successful and create a healthier environment for all Californians.

Get Involved

You may be surprised by the many ways you can save! Program participation is remarkably simple. The process begins with an application, a tool we use to gather information about your property's eligibility. Next, an energy audit is required to determine the optimal energy and water efficiency strategy. Energy audits are performed by independent auditors, ensuring your improvement recommendations are only to your benefit. Property owners are free to choose from a pool of California PACE approved contractors. You get a competitive bid and the confidence that comes with knowing your contractor has been screened. The contractor will advise you on the best improvements for your property.

BE GREEN. SAVE GREEN!
Energy represents a major expense for California businesses—and many are wasting money every day on energy inefficient commercial equipment. California PACE is your low-cost financing opportunity to install energy and water efficient upgrades, significantly lowering your energy bills, even generating positive cash flows as energy savings exceed the total cost of financing.

FINANCING HIGHLIGHTS

- No money down!
- Financed amount is based on property value, not personal credit
- Financed amount is repaid over time on your property tax bill

SAVE ENERGY, SAVE MONEY!
877-577-7373

GET STARTED TODAY AT WWW.CITYENERGYSAVINGS.COM!

Renewable Energy, Heating & Air Conditioning, Lighting Systems, Insulation, Low-flow plumbing fixtures, Cool Roofing, Smart Irrigation, Water Treatment, Weather Stripping, Windows, and much more.

CITY OF FRESNO
Public Finance Solutions & Engineering
CALIFORNIA PACE

PARTIAL LIST OF RETROFITS

- Renewable Energy
- Heating & Air Conditioning
- Lighting Systems
- Insulation
- Low-flow Plumbing
- Cool Roofing
- Smart Irrigation
- Water Treatment
- Weather Stripping
- Windows

Application Fee and Energy Audit Benefits

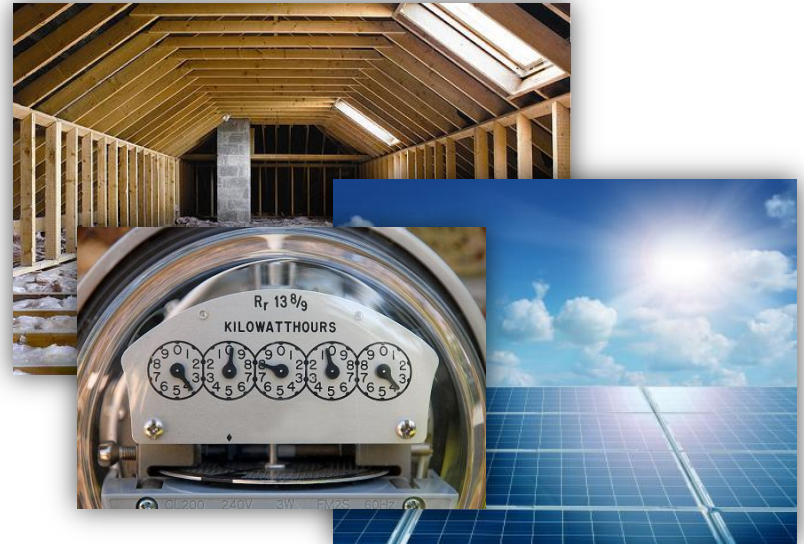
Property Owner Application Fee: \$395

plus

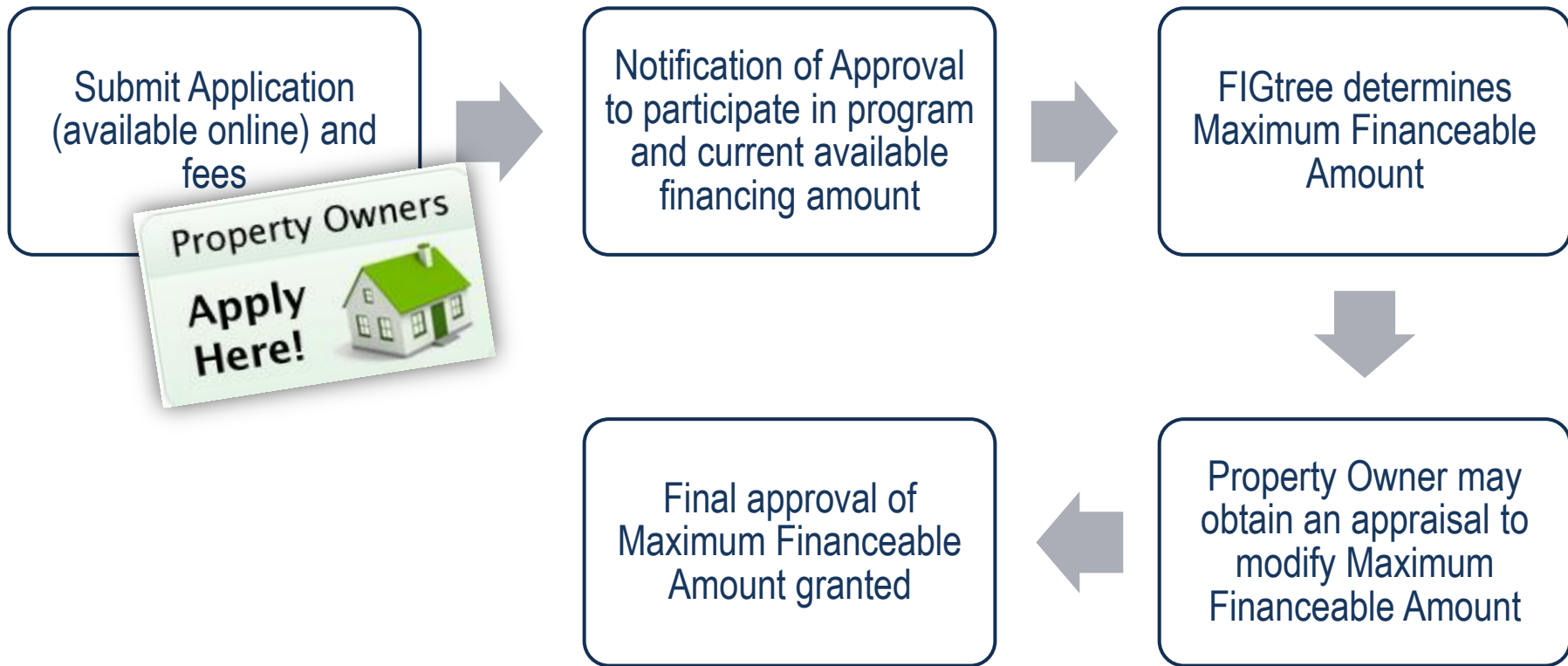
Energy Audit Fee (if applicable): Start at \$500 + (per building ft²)

FIGtree Fee covers:

- Application Processing
- Ordering and Review of Property Title
- Review of Property Tax Payment History
- Lender Consent



Property Owner Application Process



Maximum Financeable Amount

Two options for upper limit

The maximum amount a property owner can assess against his or her property is determined by the **greater** of the following rules:

100% of Assessed Land Value

- Property owners can finance improvements up to the full value of their land, as determined by the County Assessor.

Assessed Land Value = Maximum Financeable Amount

10% of Total Assessed Value

- Property owners can finance improvements up to 10% of the full value of their land plus improvements, as determined by the County Assessor.

10% x Assessed Value = Maximum Financeable Amount

California PACE™ Bond Financing Basics

The Financing Rate:

The rate to property owners is currently set at about 8%. The market rate is determined at the time of financing and is fixed over the entire term, up to 20 years.

8%± up to 20 years; exact rate is determined by municipal bond market

Requirements to access the bond market:

- **Minimum Issue:** \$2 million worth of projects aggregated throughout the State.
- **Minimum Project:** financed projects must be valued at a minimum of \$5,000.

California PACE™ Bond Basics

A Debt Service Reserve Fund (DSRF) is **required by California law**; the guideline is established at **10% of the Total Financed Amount**.

Example:

Property Owner A submits an application for California PACE™ financing and is approved for \$500,000.

\$50,000 of that allocation will be set aside for a reserve fund and the remaining \$450,000 is eligible to be used for project costs.

- The property owner does pay interest on the entire assessment amount;
- The DSRF earns interest, which belongs to the property owner;
- If there have been no delinquencies in the aggregation of bonds, the DSRF will pay down as the final tax levy payment.

Property Owner Keeps Rebates

- Property owners will be informed of the rebates available to them through the energy assessment process.
Go to your local utility provider website
Go to www.dsireusa.org
- Property owners are recommended to use the energy auditing services.
Audits should include information related to rebates, costs, projected savings, and financial valuation of energy efficiency projects.
- Property owners are ***strongly encouraged*** to use rebate funds to pay down principal of their assessment. This assists in preventing a future default and is for the benefit of the property owner.

California PACE™ Critical Path



Contacts - Visit us at www.FIGtreeCompany.com

Michael A. Chapin, President and CEO

Mr. Chapin has been consulting in public finance with both public and private sector clients for over ten years, working with over 30 different California Agencies and administering over \$1 Billion in municipal debt.

Mr. Chapin is the primary contact for the ongoing operations of the company including strategy and planning.

Ross S. Stout, Chief Operating Officer

Mr. Stout manages contractor and property owner relations for FIGtree Energy Resource Company. He has over 25 years of experience as a licensed architect and general contractor in the State of California. Mr. Stout has owned and managed several businesses including ventures in retail, telecommunications, and real estate development.



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