



EYZENBERG

GREEN CAPITAL

PROPRIETARY CAPITAL SOLUTIONS

C-PACE FINANCING



EYZENBERG
&
C O M P A N Y

IN PARTNERSHIP WITH



Eyzenberg & Company

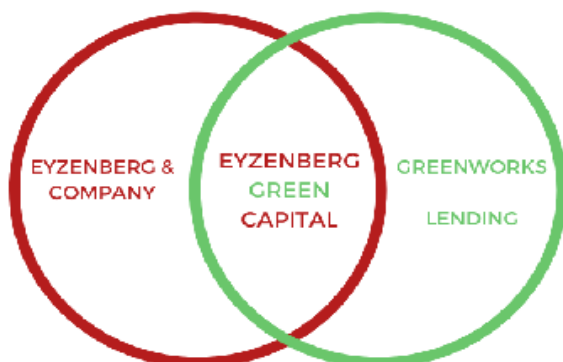
Eyzenberg & Company is a NYC-headquartered investment bank delivering full capital stack solutions for existing, transitional, and to-be-built commercial real estate projects. With offices in New York, Washington D.C., and Miami, Eyzenberg & Company is one of the fastest-growing real estate capital advisory firms in the U.S.

Greenworks Lending

Greenworks Lending is a private capital provider uniquely dedicated to funding commercial real estate through Commercial Property Assessed Clean Energy (C-PACE).

Eyzenberg Green Capital

Eyzenberg Green Capital is a partnership between Eyzenberg & Company and Greenworks Lending, uniquely dedicated to funding commercial real estate transactions through C-PACE.



● MARKET LEADING EXPERIENCE

Greenworks is the largest C-PACE capital provider in the country. Its founders launched and lead the first successful C-PACE program, and have since closed over 250 projects across 15 states.

● THE ENTIRE CAPITAL STACK

Eyzenberg & Company is the market leader for “full-spectrum” innovative capital solutions for CRE projects in the U.S. As a member firm of the Real Estate Capital Alliance (\$5.2B capital placement in 2018), EyzenCo is uniquely positioned to obtain all requisite lender consents as well as to structure and arrange all other monies necessary to fully capitalize your project in tandem with C-PACE.

● LEGISLATIVE EXPERTISE

Greenworks has set up and advised on the structure of over a dozen state programs including Connecticut, the very first program in the nation. Due to the varied nuances of individual programs at the local level, leading edge and experienced legislative expertise are necessary to get C-PACE deals efficiently processed and closed.

● CAPITAL PROVIDER

Eyzenberg Green Capital is a direct balance sheet provider with significant lending capacity backed by a top financial institution. With permanent capital and multiple funding outlets, Eyzenberg Green Capital has the market’s lowest cost of capital for C-PACE financing.

WHAT IS C-PACE?

Commercial Property Assessed Clean Energy (“C-PACE”) is an innovative financing mechanism of low-cost, long-term, non-recourse capital for new construction, gut rehabs and value-add acquisitions of commercial real estate.

Authorized by state statute, C-PACE is used to finance 100% of eligible hard and soft costs for a project (approximately 20-25% of total development budget) and secured by a special assessment against the property. Repayment of the assessment financing is done via the building owner’s property tax bill with payments due concurrent with ordinary property tax payments.

WHY C-PACE?

● REDUCE BLENDED COST OF CAPITAL

- Fills the gap between senior debt and equity at lower pricing than alternative capital structures like mezzanine debt or preferred and common equity
- Potential to recoup C-PACE assessment costs by passing through to hotel guests or commercial tenants

● OFF - BALANCE SHEET POTENTIAL

- Many owners treat property taxes (ad valorem and special assessments) as an operating expense with some electing to pass on the costs to tenant or guests

● DE-RISKS THE CAPITAL STACK FOR THE BORROWER

- No repayment or carry guarantee and covenant-light
- Repayment is based on a self-amortizing structure avoiding balloon, interest rate, or refinance risk at any point while the loan is outstanding
- C-PACE is non-accelerating beyond the current year’s assessment under any conditions, and can never be fully called upon a sale or payment/technical default
- As a “silent” capital provider, C-PACE does not require complicated intercreditor or recognition agreements with senior lenders - only a simple acknowledgement and consent form

● FLEXIBLE CAPITAL

- Fully assumable and assignable upon the sale of the asset, creating option value in a moving interest rate environment
- Ability to capitalize costs incurred retroactively within the prior 36 months

● CREATES OPTIONALITY TO CAPITALIZE YOUR PROJECTS

- Can be used to reduce the amount of senior debt to a level necessary to attract financing and does not require an intercreditor agreement
- Provides an optional capital structure for situations where structured finance may not be available due to market or size of the transaction

● A CRUCIAL PIECE OF THE PUZZLE

- Can be utilized in tandem with a ground lease structure due to C-PACE’s flexibility of being assessed against a leasehold or leased fee position
- Perfect long-term match for Opportunity Zone deals with required long-dated hold periods
- Commercial condominiums are eligible in certain cases

ELIGIBLE IMPROVEMENTS

Eligibility includes certain hard costs and the associated soft costs, but may vary by state and municipality. These measures involve capex that impacts energy and water performance of the building. In some states, resiliency measures can also be included. Below is a non-exhaustive listing of some of the more common measures financed.



ENERGY EFFICIENCY

- BUILDING ENVELOPE AND INSULATION
- HVAC & MECHANICAL SYSTEMS
- ELECTRICAL & PLUMBING SYSTEMS
- LIGHTING & BUILDING CONTROLS

“

A PACE loan is better than conventional debt used for similar upgrades because it is typically cheaper, it has a fixed interest rate and terms are 20 to 30 years instead of three to five.”

- THE NEW YORK TIMES



RESILIENCY

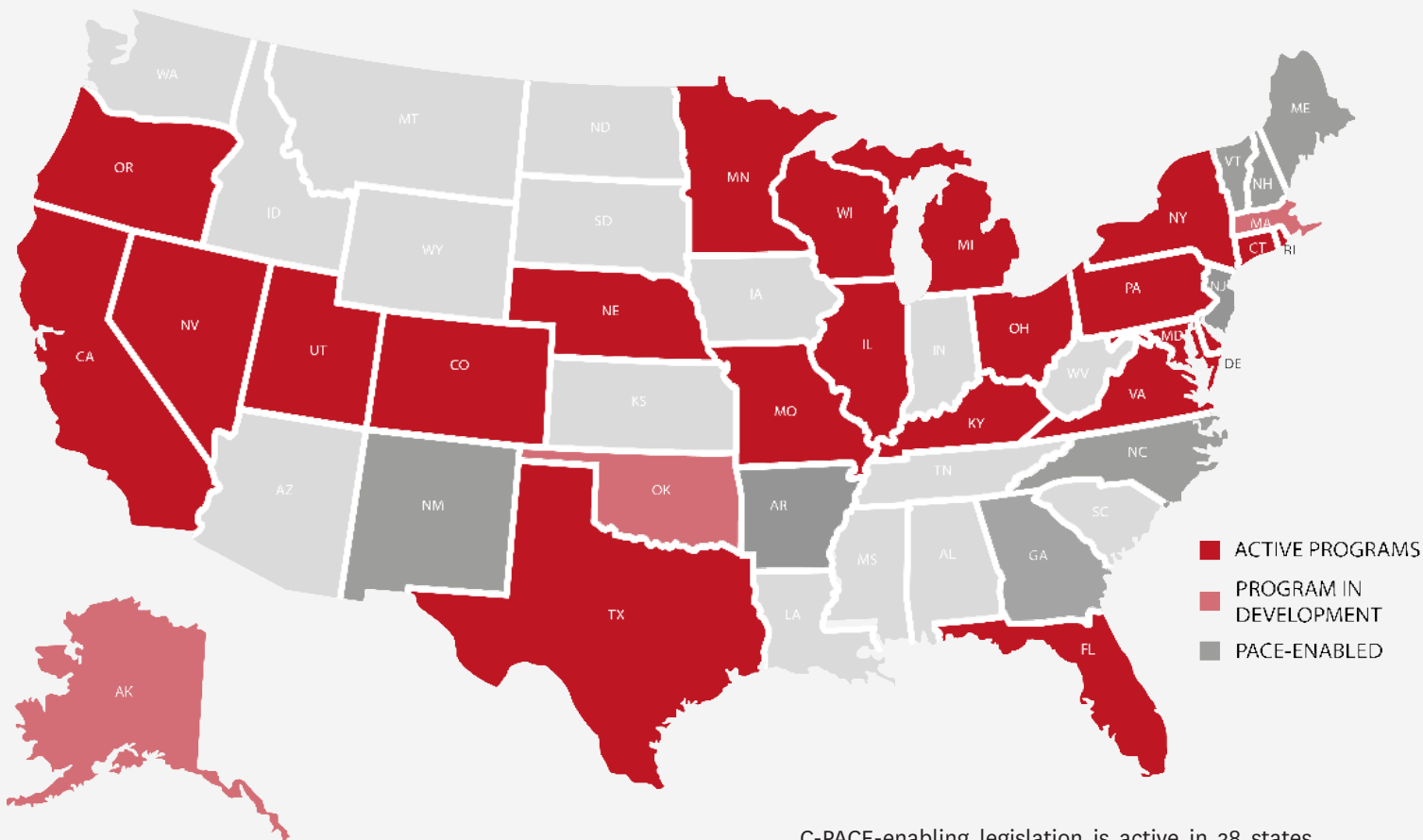
- SEISMIC RESILIENCY
- HURRICANE
- FIRE RESILIENCY
- STORMWATER MANAGEMENT



RENEWABLE ENERGY

- SOLAR PV
- SOLAR THERMAL
- MICROGRIDS
- EV CHARGING STATIONS

AVAILABLE STATES



C-PACE-enabling legislation is active in 38 states plus D.C., and PACE programs are now active (launched and operating) in 22 states plus D.C.

ELIGIBLE ASSET CLASSES



STRIKE ZONE

MULTI-FAMILY
HOSPITALITY
RETAIL
OFFICE
SENIOR LIVING
STUDENT HOUSING
LIGHT INDUSTRIAL/
WAREHOUSE



LIKELY

NURSING HOMES
STORAGE
AUTO REPAIR
GOLF COURSES
HOSPITALS
FARMS/AGRICULTURE
EDUCATIONAL FACILITIES
MANUFACTURING



LIMITED

SPORTS COMPLEXES
PARKING GARAGES
HOUSES OF WORSHIP
CIVIC PROPERTIES
CONDO
MARIJUANA



INELIGIBLE

- DRY CLEANING
- GAS STATIONS
- HEAVY/SPECIALTY
- VACANT LAND
- GOVERNMENT-OWNED
- RESIDENTIAL (<5 units)
- MARINA

RETROACTIVE C-PACE FUNDING IS AN EFFICIENT SOLUTION DURING A CREDIT CRUNCH.

GET LIQUIDITY NOW

C-PACE can provide immediate capital by **retroactively** financing eligible improvements in eligible municipalities. Funding can be provided with existing debt in place or with a new capital stack. Closing can occur in as few as 5 weeks. Unlike other lenders, our pricing has not widened out significantly.

BENEFITS

▪ MONETIZE PAST COSTS

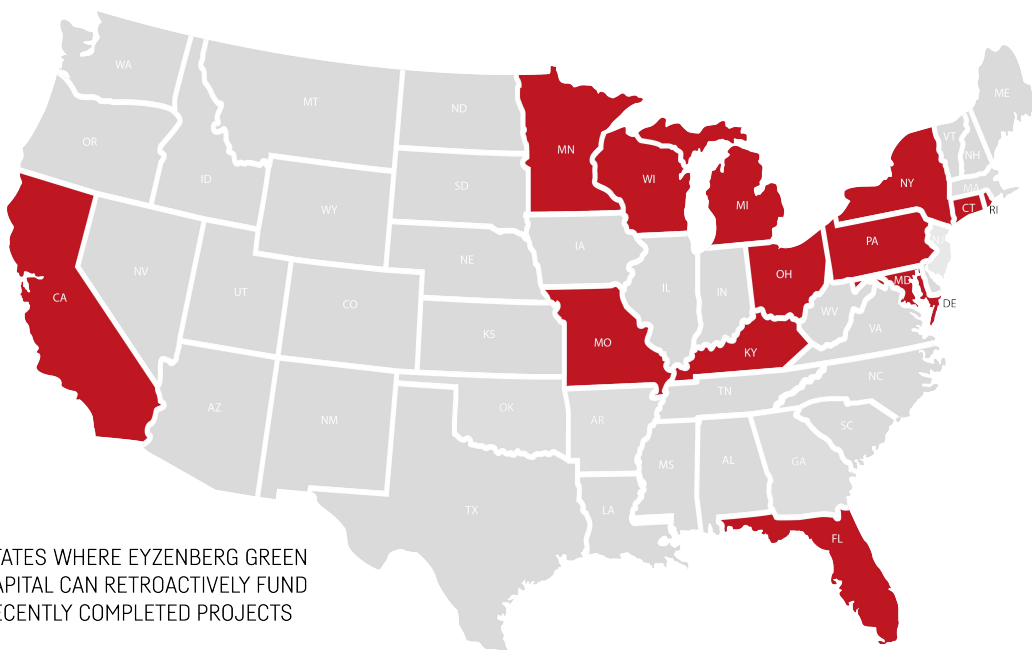
Borrow against eligible costs (up to 35% of property value) incurred on retrofit or new development projects.

▪ APPLICABLE USES TO CURRENT MARKET

The new capital can be used to recapitalize the project by funding operating and/or debt payment reserves, loan principal paydowns or working capital for other projects and/or business.

▪ DELAY PAYMENTS

Payments can be deferred up to 24 months to alleviate current cash flow shortage.



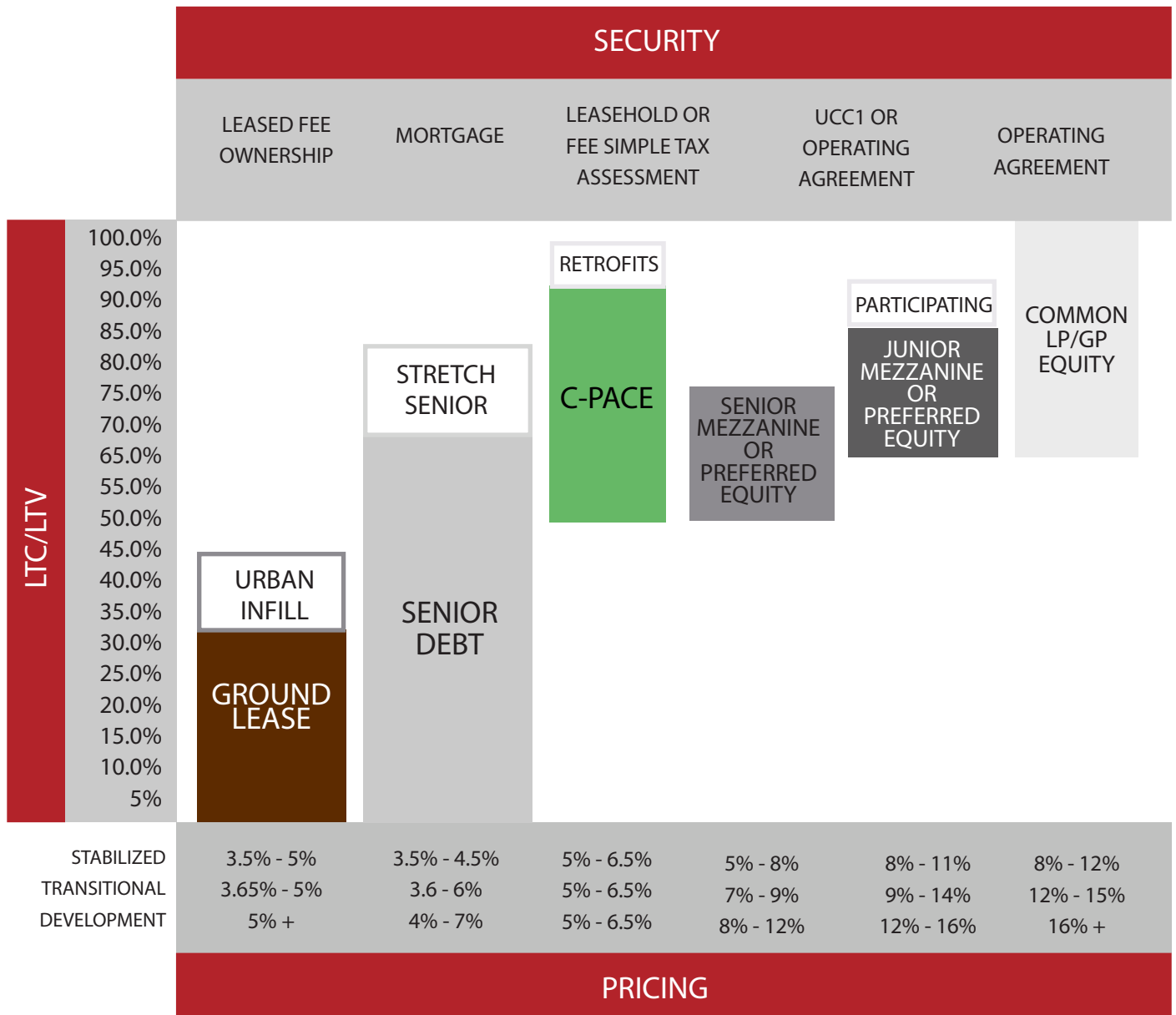
STATES WHERE EYZENBERG GREEN
CAPITAL CAN RETROACTIVELY FUND
RECENTLY COMPLETED PROJECTS

Retroactive Limits:

CA: 3 years
CT: 1 year
DC: Case by case
FL: 3 years
KY: No limit
MD: PG Co. - 18 months
MI: 3 years
MO: Case by case
MN: 1 year
NY: Case by case
OH: No limit
PA: Back to Aug of 2018
RI: 2 years
WI: 30 months

C-PACE

IN THE CAPITAL STACK



FUNDING PARAMETERS

Transaction Scenarios:	New development, acquisition with a heavy renovation component or recapitalization in tandem with a redevelopment of the property
Property Types:	All commercial property types and select alternative asset classes
Funding Size:	\$10MM-\$150MM+ (smaller requests reviewed on a case-by-case basis)
Recourse:	No repayment or carry guarantee, completion guarantee burns off at TCO
Pricing:	5% to 6.5%, dependent on term, location, use, and leverage
Term/Amortization	Self-amortizing (no balloon) with terms up to 30 years (based on estimated useful life of the improvements)
Max Lien-to-Value:	90% (combined debt) for new developments / 95% for retrofits
Max LTV/LTC:	25% of as completed value / 30% of total capitalized budget for new developments (higher for retrofits)
Prepayment:	No lockout but subject to a pre-negotiated fee
Geography:	Currently active in 22 states and D.C. with legislation approved in 38 states, plus D.C.

FUNDING PROCESS

STAGE	DURATION	DESCRIPTION
Pre-screen	1 Day	Determine location and property type eligibility
Analysis	1 Week	Gather data and analyze project's viability and size of C-PACE financing, issue term sheet
Underwriting	2-4 Weeks	Conduct customary due diligence, obtain lender consent from all capital stack participants and local Program Administrator
Closing	2-3 Weeks	Closing documentation and C-PACE assessment contract executed
TOTAL TIME	5-8 Weeks	

PRE-SCREEN REQUIREMENTS

- | | |
|----------------------|---|
| 1. Property Address: | Is location C-PACE eligible? |
| 2. Project Type: | New construction, retrofit, or heavy gut rehab |
| 3. Property Type: | Hotel, office, retail, industrial, multifamily, etc. |
| 4. Sources & Uses: | How does C-PACE fit into the capital stack and what LTC is desired? |
| 5. Pro Forma: | What will coverage look like and estimated LTV on the exit? |
| 6. Scope of Work: | To determine which costs are C-PACE eligible |
| 7. Sponsorship Info: | Demonstrable track record of similar projects in scale and scope |



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C O M P A N Y

THE CAPITAL STACK INNOVATORS

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New York Headquarters
1270 6th Avenue, FL. 8
New York, NY 10020
[212] 519 - 1140

Washington D.C. Office
2020 K Street NW #650
Washington, DC 20006
[202] 424 - 2999

Miami Office
800 Brickell Avenue PH1
Miami, FL 33131
[305] 995 - 0777



REAL ESTATE CAPITAL ALLIANCE
CREATIVE CAPITAL SOLUTIONS

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