CLASS GREEN
CAPITAL PARTNERS

Zero-Cost Green Financing for Municipalities and other Tax-Exempt Entities

Class Green Capital Partners provides low-cost, general-purpose funding alternatives to states, municipalities, not-for-profits, and other tax-exempt entities (collectively, "TEEs") while using a portion of the proceeds to improve the energy and operating performance of their owned and leased buildings and infrastructure. The resulting combined cost of capital can be zero or even negative - unlike for conventional bonds, privatizations, and many energy-related financings.

Program Fundamentals

Class Green, an SEC- and MSRB-registered municipal advisor:

- Offers TEEs $10-250MM+, *potentially with zero net cost of capital or budget impact*

- Uses as the underlying collateral existing or to-be-constructed TEE-owned or leased buildings (including office buildings, garages, police and fire stations, schools, housing, etc.), subject to new, long-term TEE leases, *with title going to the TEE at the end of the lease*

- Invests a portion of the proceeds in the environmental and operating performance of the assets, or other TEE buildings or infrastructure, *decreasing the TEE's energy and operating costs, reducing carbon emissions, and improving employee health and productivity*

Sample Transactions with Zero or Negative Net Cost of Capital or Budget Impact

- **Green Monetization**: A TEE sells certain owned properties to a governmental authority (or special-purpose entity) and "net leases" them back for 15-20 years, with a $1 repurchase option at the end of the lease. Class Green works with the authority or SPE to issue COPs or bonds, and with the TEE to retrofit the properties (or other TEE buildings or infrastructure). Half the proceeds are used for retrofits with an average payback period of seven years or less, the other half for other capital or budget priorities the TEE may have.

- **Green Reverse Privatization**: Class Green works with a TEE to "lease-purchase" and improve certain buildings the TEE currently leases, using tax-exempt COPs or bonds to fund the transaction. This structure can reduce the TEE's current occupancy cost by 30% (growing to 60% over the term of the 15-20 year lease), as it replaces lease payments with lower COP or bond payments, and reduces operating costs through energy efficiency and other measures. In addition, the TEE owns the buildings "for free" at the end of the lease.

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