

PRESIDENT CLINTON AND PACENOW COALITION ANNOUNCE NATIONAL PACE BOND PROGRAM AT CLINTON GLOBAL INITIATIVE

PACE Bonds will finance the energy retrofit of our nation's buildings and homes

New York, September 24, 2009 – President Clinton today announced his commitment to a national PACE finance program as part of the Clinton Global Initiative. Property Assessed Clean Energy, known as “PACE” finance, is an innovative municipal finance program that has the potential to fund the energy retrofit of America’s homes and buildings. The PACENOW coalition, established this year to promote these programs, also announced its Clinton Global commitment to launch PACE finance on a national scale, starting with securing the support for accelerated PACE program adoption by 50 mayors and 50 municipalities.

“PACE bonds can provide enormous amounts of much needed low cost capital to retrofit America’s towns and cities all while creating local jobs,” said Jeffrey Tannenbaum, founder of PACENOW.org. He added, “PACE finance has strong bipartisan support as it provides large benefits to property owners, existing mortgage lenders, municipalities, and our nation without burdening our nation’s taxpayers.”

"PACE is an idea whose time has come," said Clinton Global member Jack D. Hidary of the Hidary Foundation. "PACE will enable owners of homes and commercial buildings to increase the value of those properties and reduce their utility bills at the same time, benefiting both the borrowers and lenders. President Obama has called on us to increase investment in clean energy and PACE is a key component to achieving this goal."

PACENOW is pleased to announce a number of early support announcements. Mayor Jerry Sanders (R) of San Diego today stated, “We are delighted to be one of our nation’s first counties to support PACE...and we urge the rest of our nation, on a bipartisan basis, to join us.” The Boulder County Board of Commissioners commented, “Boulder County has a very successful PACE program...and we encourage our nation’s Governors and Mayors to embrace PACE...given the large potential benefits.”

About PACENOW:

PACENOW.org is the advocacy and educational non-governmental organization for PACE finance. For more information about PACE finance, please visit www.PACENOW.org.

About The Fir Tree Philanthropies:

The Fir Tree Philanthropies (“FTP”) primary objective is to accelerate America’s energy independence and promote sustainable capitalism through innovations in public policy, finance and entrepreneurship.

About The Jack D. Hidary Foundation:

The Jack D. Hidary Foundation was initiated in 2001 and its primary aim is to catalyze scalable, self-sustaining programs in clean energy and economic development.

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PACE FACT SHEET

History: The PACE finance industry began in California in 2008 when state enabling legislation was passed allowing for municipalities to create financing districts that could provide low cost retrofit capital to homeowners and building owners secured by senior tax liens on their property. PACE has the potential for large growth due to recently passed similar enabling legislation in more than a dozen states. Current PACE enabled states are: CA, CO, IL, LA, MD, NV, NM, OH, OK, OR, TX, VT, VA, WI.

Property Assessed Clean Energy (“PACE”) Finance Defined: A PACE bond or lien is a debt instrument where the proceeds are lent to commercial and residential property owners to finance energy retrofits (efficiency measures and small renewable energy systems) and who then repay their loans over 15-20 years via an annual assessment on their property tax bill. PACE bonds can be issued by municipal financing districts or finance companies and the proceeds can be used to retrofit both commercial and residential properties.

How it works: The key innovations of PACE finance involve materially lengthening the repayment period for energy retrofit loans and structuring the loan repayments as annual property tax surcharges. These innovations result in large benefits to property owners (positive cash flow in the first year on energy retrofits), municipalities (no fiscal burden yet large job creation), existing mortgage holders (borrower cash flow improves and the property value increases), and to PACE bond holders/investors (virtually no risk on investment because the PACE lien is senior in right to mortgage debt). Specific benefits are as follows:

- **Property owners benefit from large cash savings as efficiency savings exceed the annual financing cost:** Instead of large required upfront payments by property owners for energy retrofits, the capital is lent to property owners and repaid over 15-20 years via an annual property tax surcharge. This long term repayment mechanism results in annual energy savings that greatly exceed the annual property tax cost, making PACE finance highly attractive to home and building owners.
- **States/Municipalities create jobs and have no added credit risk:** States and municipalities benefit from immediate job creation and the fact that PACE finance creates no credit or fiscal burden as the entire liability resides directly with those property owners who opt in to receiving PACE loans.
- **Appeal to existing mortgage holders:** PACE finance improves the cash flow of property owners (annual energy savings > annual tax surcharge cost) and increases the property’s overall value all of which increase the creditworthiness of the existing mortgage.
- **PACE bond holders/investors benefit from a highly secure investment:** PACE bonds have strong appeal to investors given that they are secured by long term tax liens that are senior in right to mortgage debt.