

CASH FLOW +

Achieve **POSITIVE CASH FLOW** from **DAY ONE**.

Financing an energy efficiency project allows customers to keep more of their money by using the energy savings to help pay for the project.

Entegrity Finance provides flexible financing options to address unique customer needs & budget constraints, preserve working capital, and eliminate out-of-pocket expenses.

WHICH CASH FLOW WOULD YOU CHOOSE?



\$125,000

Financing an energy efficiency project **puts money in your pocket from day one**

OR



\$125,000

If paid for in cash, you wait 36 months for **your energy efficiency project to break even**

	Commercial & Industrial	Public Sector Entities*
AVAILABLE FINANCING OPTIONS		
Finance or Capital Lease (\$1/Nominal Purchase Option)	✓	✓
Operating or Fair Market Value Lease	✓	✓
Rental Contract	✓	✓
Tax-exempt Municipal Lease Purchase (\$1 Purchase Option)		✓
CONTRACT TERM	12 - 84 months	24 - 84 months
	Payment schedules may be customized, including deferrals, to align with anticipated project savings, timing of rebates and incentives, and other customer objectives.	
AMOUNT FINANCED	\$5,000 - \$10,000,000	\$25,000 - \$10,000,000
	100% of project costs, inclusive of equipment and soft costs, such as installation, labor, equipment disposal or recycling, and freight.	
	Progress payment and escrow structures available to avoid out-of-pocket cash outlays for milestone payments due upon order or during installation	
EQUIPMENT TYPES / SOLUTIONS	Lighting, HVAC, building controls and automation, CHP, solar, and other energy conservation measures	

* Public sector entities include: State, City & County governments, public school districts, colleges & universities, municipal hospitals, and municipally-owned utilities.

COMMON QUESTIONS



What is the difference between a Finance Lease, an Operating Lease, a Rental, and a Loan?

Finance or Capital Lease ($\$1$ / Nominal Purchase Option)

- Lessee takes depreciation and interest expense deductions related to the project.
- Lessee takes ownership of and has legal title to the equipment.

Operating Lease or Rental Contract

- Lessee has the right to use the equipment for a specified period of time.
- Lessee, under an Operating Lease, has the option to purchase (typically for Fair Market Value or "FMV") or return the equipment or renew the lease at the end of the lease term.
- Lessee, under a Rental Contract, has the option to return the equipment or continue renting the equipment at the end of the rental term.

Unlike a Lease or Rental Contract, a Bank Loan

- May require a material down payment (e.g. 20% or more) in addition to the payment of soft costs (e.g. shipping, installation, permitting, training).
- May not be specific to the equipment related to the project and require a lien against other assets, such as the building, other equipment, and/ or receivables.
- May not enable a positive "net" cash flow as the loan term may be limited to 5 years or less.

What is a Tax-exempt Municipal Lease Purchase?

- Lessee takes full advantage of its tax-exempt status through low tax-exempt interest rates as interest paid by Lessee is exempt from Lessor's Federal Income Tax.
- The intent is Lessee ownership of the equipment at the end of the lease term via a nominal purchase option (e.g. $\$1$).
- Most preferred method of equipment financing for Public Sector entities.

Entegrity Capital does not provide tax or accounting advice. Consult your tax, accounting, or legal advisor for advice. All financing is in Entegrity Capital's sole discretion, subject to credit review and approval and other terms and conditions.

