GreenTop CAPITAL
Fund I Investor Presentation
Sustainable Non-Traditional Real Estate Equity Fund
Bridging Farm and City for Maximum Impact
The Opportunity

Increased awareness of climate change
- Metropolitan areas especially concerned
- Efforts to reduce heat islands & storm water runoff

Rooftop greenhouses beneficial to buildings
- Energy costs reduced by 25%
- Roof lives doubled

Increased demand for fresh local food
- Grew by 5.4% in 2014 to $134 billion
- 30%+ of total supermarket sales
- Demand growth 6% – 7% CAGR

Our Solution: Construct Rooftop Farms
- Greenhouses built on currently unutilized roofs of industrial buildings
- Crops grown through hydroponic methods
- Pesticide-free fresh foods through integrated pest management techniques
The Problem

**Misaligned Incentives**
- Benefits accrue mainly to the general public and not to the building owner
- Building owners are unable to reap the tax benefits and monetize environmental benefits
- Building owners face high risks of capital expenditure

**High Costs**
- Large construction and startup costs of about $600,000 for each 20,000 sq. ft. greenhouse
- Annual maintenance costs of over $50,000
- No economies of scale with small, unrelated farmers
Our Solution: GreenTop Fund I

- Raise $20 million fund to construct 30 greenhouses on industrial rooftops
- Leased to entrepreneurial farmers
- 10 sites constructed in each of the first 3 years
- Sites based in New York City, Boston, and Philadelphia

GreenTop Fund I

- Fund covers costs of zoning changes
- Building owners enjoy lower energy costs
- Incremental tax benefits captured by fund
- Fund oversees the creation and management of the farm

Incentive Alignment

- Fund construction costs & subsidize maintenance costs
- Offer legal counsel to farmers for grant and loan apps
- Assist farmers in negotiating contracts with supermarkets, restaurants, and CSAs

Capital & Economies Of Scale
### Fund Characteristics

#### Key Investment Terms

- **Target Capital Commitments:** $20 Million
- **Minimum Investment:** $500,000
- **Commitment Period:** 12 Years
- **Term:** 12 Years
- **Management Fee:** 2%
- **GP Interest in Cash Flows:** 20%
- **Number of Farmers Employed:** 120

#### Forecast Returns

- **Target IRR (Net of GP Interest):** 15.5%
- **Target Multiple:** 2.3x
- **Performance Benchmark:** S&P US REIT Index
- **3 Yr Benchmark Return:** 11.7%

#### Investment Team

- 3 Lawyers
- 3 Master Farmers
- 1 Accountant

#### Potential Investors

- Endowments
- Social Impact Funds
- Family Offices
- High Net Worth Individuals
Fund Flow Diagram

Limited Partner Investors
(80% Returns, Net of Mgt Fee)

G.P.
(20% Returns + 2% Mgt Fee)

GreenTop Fund-1, L.P.
(Lease Pmts + Revenue Capture + TC & Grants + TIF/PILOT Revenue)

Farm 1, LLC
(Lease Pmts + Revenue Capture + Tax Credits & Grants)

Farmer 1

Building 1
(Tax Credits & Grants)

IRS, State Treasury, Private Grants

Municipal Tax Authority
(TIF/PILOT Revenue from Properties)

= Capital Investment

= Return Cash Flows
## Sources of Revenues

Distributions will come from multiple sources of revenue:

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed Lease Revenue</strong></td>
<td>• Fixed-rate lease agreement with monthly cash payments based on a 10-year amortization of farm construction costs — <em>paid by farmer to LLC</em></td>
</tr>
<tr>
<td><strong>Farm Revenue Share</strong></td>
<td>• Variable-rate lease agreement with monthly cash payments based on 15% of farm revenues — <em>paid by farmer to LLC</em></td>
</tr>
<tr>
<td><strong>Tax-Increment Capture</strong></td>
<td>• Incremental property tax revenue from increased building value through municipal TIF or PILOT structures — <em>paid by building owner to LP fund through municipal tax authority</em></td>
</tr>
<tr>
<td><strong>Public Incentives</strong></td>
<td>• IRS green roof tax credit, state tax credits, grants and other incentives — <em>paid by public entities to LLC</em></td>
</tr>
</tbody>
</table>
**Tax Incentives**

- **Tax-Increment Financing (TIF)** – tax revenue paid by property but returned to fund
- **Payment-In-Lieu-of-Taxes (PILOT)** – tax abatement given to property; property pays fund
- **Same Goal and General Mechanics**
  - Based on the *incremental* property tax increases from higher property value
  - 10 to 20 year terms; between 50% and 100% savings on incremental revenue in year 1

**TIF and PILOT Structure in Fund**

- New York City → PILOT
- Philadelphia → TIF
- Boston → TIF

**Target Geography – Which Program?**
Fund Cash Flows

- **Projected LP Investor Return**: 15.5% IRR, net of fees
- **Quarterly Distributions**: starting year 3; annual dividend yield = 20%
- **Fund Dissolution**: Year 12; expect to return a 2.3x cash multiple
Investment Execution

**Investment Process**

1. Identify sites

2. Create a legal entity and negotiate with building owners to obtain 10-year rooftop rights

3. Create the Tax Increment Financing (TIF) and PILOT structures to capture incremental tax revenue

4. Construct greenhouses with heat, electricity, and water connections. Lay out hydroponic and storm water purification systems

5. Lease farm space to entrepreneurial farmers for 10 years; assist farmers in negotiations with restaurants and supermarkets for contract growing

**Target Sites**

- Industrial buildings built between 1900 and 1970
- 10 stories or less
- Reinforced roofs with usable roof space of at least 10,000 sq. ft.
- Sufficient electrical capacity
- Not used for heavy industry
Farmer Incentives

- Lower capital needs
- Advanced NFT hydroponic farming technology
- Higher expected operating margins
- Shorter growing cycles generating higher revenues
- Legal assistance provided to apply for loans and grants
- In-house Master Farmers

![Graph showing Farmer Operating Margins](image)

- Operating margin before lease & revenue share payments
- Operating margin after lease & revenue share payments
### Investment Impact

#### Economic Impact
- Building energy costs reduced by up to 25%
- Building property values increased by up to 10%
- Building roof lives increased by 2x
- Lower food storage and transportation costs

#### Environmental Impact
- Heat island effects reduced by up to 36%
- Carbon footprint lowered through reduced energy consumption and transportation distance
- Storm water runoff decreased by 65% through rainwater capture and treatment systems

#### Social Impact
- Create employment opportunities in underdeveloped neighborhoods
- Engage local schools and communities to use the farms for educational and recreational purposes
Questions
Appendix
## Cash Flow Projections

### LP Cash Flow

<table>
<thead>
<tr>
<th>Year</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
<th>12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Savings</td>
<td>-</td>
<td>867,750</td>
<td>1,091,502</td>
<td>1,092,760</td>
<td>331,421</td>
<td>332,776</td>
<td>333,139</td>
<td>333,504</td>
<td>333,871</td>
<td>334,240</td>
<td>334,610</td>
<td>226,574</td>
<td>107,949</td>
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<tr>
<td>TIF Revenue</td>
<td>-</td>
<td>-</td>
<td>208,305</td>
<td>593,793</td>
<td>977,604</td>
<td>1,147,711</td>
<td>1,171,943</td>
<td>1,196,692</td>
<td>1,221,968</td>
<td>1,247,784</td>
<td>1,274,149</td>
<td>871,683</td>
<td>419,218</td>
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<tr>
<td>Fixed Lease Revenue</td>
<td>-</td>
<td>510,441</td>
<td>1,131,195</td>
<td>1,692,088</td>
<td>1,758,884</td>
<td>1,801,290</td>
<td>1,839,322</td>
<td>1,878,164</td>
<td>1,917,836</td>
<td>1,958,352</td>
<td>1,999,731</td>
<td>1,368,076</td>
<td>657,947</td>
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<tr>
<td>Farm Revenue Capture</td>
<td>-</td>
<td>-</td>
<td>1,004,111</td>
<td>2,172,123</td>
<td>3,267,924</td>
<td>3,413,447</td>
<td>3,555,226</td>
<td>3,702,912</td>
<td>3,856,748</td>
<td>4,016,991</td>
<td>4,183,905</td>
<td>2,891,483</td>
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<td>Fund Fees</td>
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<td>(400,000)</td>
<td>(400,000)</td>
<td>(1,468,286)</td>
<td>(1,624,028)</td>
<td>(1,694,590)</td>
<td>(1,734,108)</td>
<td>(1,775,025)</td>
<td>(1,817,393)</td>
<td>(1,861,268)</td>
<td>(1,906,705)</td>
<td>(1,971,563)</td>
<td>(969,508)</td>
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<tr>
<td>IRR</td>
<td>15.47%</td>
<td>-</td>
<td>241,809</td>
<td>301,462</td>
<td>530,702</td>
<td>539,144</td>
<td>547,657</td>
<td>556,239</td>
<td>564,887</td>
<td>573,599</td>
<td>582,370</td>
<td>591,198</td>
<td>572,303</td>
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</table>

### GP Cash Flow

<table>
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<tr>
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<th>3</th>
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<th>6</th>
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<th>9</th>
<th>10</th>
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<th>12</th>
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<tbody>
<tr>
<td>Inflation</td>
<td>2.00%</td>
<td>2.00%</td>
<td>2.00%</td>
<td>2.00%</td>
<td>2.00%</td>
<td>2.00%</td>
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<td>2.00%</td>
<td>2.00%</td>
<td>2.00%</td>
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<tr>
<td>Mgmt Fee</td>
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<td>400,000</td>
<td>400,000</td>
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<td>400,000</td>
<td>400,000</td>
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</tr>
<tr>
<td>GP Interest</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,068,286</td>
<td>1,224,028</td>
<td>1,294,590</td>
<td>1,334,108</td>
<td>1,375,025</td>
<td>1,417,393</td>
<td>1,461,268</td>
<td>1,506,705</td>
<td>1,071,563</td>
<td>569,508</td>
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<tr>
<td>Legal Fees</td>
<td>-575,000</td>
<td>-586,500</td>
<td>-598,232</td>
<td>1,004,111</td>
<td>2,172,123</td>
<td>3,267,924</td>
<td>3,413,447</td>
<td>3,555,226</td>
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<td>3,856,748</td>
<td>4,016,991</td>
<td>4,183,905</td>
<td></td>
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<tr>
<td>In-house farmer 1</td>
<td>-80,000</td>
<td>-81,600</td>
<td>-83,232</td>
<td>-84,897</td>
<td>-86,595</td>
<td>-88,326</td>
<td>-90,093</td>
<td>-91,895</td>
<td>-93,733</td>
<td>-95,607</td>
<td>-97,520</td>
<td>-99,470</td>
<td>-101,459</td>
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<tr>
<td>In-house farmer 2</td>
<td>-81,600</td>
<td>-83,232</td>
<td>-84,897</td>
<td>-86,595</td>
<td>-88,326</td>
<td>-90,093</td>
<td>-91,895</td>
<td>-93,733</td>
<td>-95,607</td>
<td>-97,520</td>
<td>-99,470</td>
<td>-101,459</td>
<td></td>
</tr>
<tr>
<td>In-house farmer 3</td>
<td>-83,232</td>
<td>-84,897</td>
<td>-86,595</td>
<td>-88,326</td>
<td>-90,093</td>
<td>-91,895</td>
<td>-93,733</td>
<td>-95,607</td>
<td>-97,520</td>
<td>-99,470</td>
<td>-101,459</td>
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<td></td>
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<tr>
<td>TOTAL cash flow before loan</td>
<td>-1,065,000</td>
<td>-767,900</td>
<td>-874,490</td>
<td>698,111</td>
<td>839,265</td>
<td>894,131</td>
<td>917,640</td>
<td>942,228</td>
<td>967,940</td>
<td>994,826</td>
<td>1,022,935</td>
<td>570,117</td>
<td>50,033</td>
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<tr>
<td>Interest payment</td>
<td>-208,000</td>
<td>-208,000</td>
<td>-208,000</td>
<td>-208,000</td>
<td>-171,111</td>
<td>-127,681</td>
<td>-77,876</td>
<td>-23,276</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Principal receipt</td>
<td>1,065,000</td>
<td>975,900</td>
<td>1,082,490</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Loan balance</td>
<td>3,200,000</td>
<td>2,135,000</td>
<td>1,159,100</td>
<td>76,610</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<td>0</td>
<td>0</td>
<td>0</td>
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<td>0</td>
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<tr>
<td>Principal payment</td>
<td>-567,521</td>
<td>-668,154</td>
<td>-766,450</td>
<td>-839,778</td>
<td>-358,097</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>TOTAL CASH FLOWS after loan rec</td>
<td>4,166,705</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>560,854</td>
<td>967,940</td>
<td>994,826</td>
<td>1,022,935</td>
<td>570,117</td>
<td>50,033</td>
</tr>
</tbody>
</table>
Single Farm Cost Breakout

- Initial costs include structural support systems to strengthen roof load in addition to constructing the greenhouse.
- Ongoing maintenance costs include upkeep of the greenhouse structure improvements to the amenities.
- Farmer will bear remaining operational costs such as cost of equipment, additional labor costs, packaging costs, etc.

<table>
<thead>
<tr>
<th>Single Farm Cost Breakout (20,000 sqft)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structural improvements to building:</td>
</tr>
<tr>
<td>Hydroponic systems:</td>
</tr>
<tr>
<td>Electric Wiring and Heating:</td>
</tr>
<tr>
<td>Nutrition Storage Unit:</td>
</tr>
<tr>
<td>NFT Rail System:</td>
</tr>
<tr>
<td>Growing Medium:</td>
</tr>
<tr>
<td>Maintenance Costs (annual):</td>
</tr>
<tr>
<td><strong>Total Startup Costs</strong></td>
</tr>
</tbody>
</table>
Risks & Mitigants

Risks:

**Real Estate Pricing**
✧ Factors in addition to rooftop building improvements/energy efficient drive real estate pricing and therefore affect the TIF revenue stream

**Unstable Farm Revenue**
✧ Organic food pricing, farm productivity, and general demand factors lead to variable farm revenues and therefore affect the revenue share component of the lease revenue stream

**Public Incentive Regime**
✧ IRR and cash flow projects are based partially on tax credits and incentives available in current tax codes but could change and therefore affect the public incentives revenue stream

**Legal/Regulatory**
✧ Construction of rooftop greenhouse is contingent on compliance with local zoning codes

Mitigants:

✅ Negative real estate price changes will not result in losses to the fund, while positive changes will increase revenue; TIF revenue has a floor of zero

✅ The revenue share provides financial stake in the success of the farm, and the fund GP will provide technological and best-practice expertise to maximize value; the fixed rate lease payments provide stable cash flows to hedge the revenue share risk

✅ The fund GP has an incentive to maximize public funding and will work with local and national authorities to capture a share of social/public gains delivered by the fund

✅ NYC and many other cities have expedited the approval process for green roofs; the fund GP will work to obtain block approvals for multiple buildings
### Sensitivity Analysis

**Single Farm Revenue vs. Revenue Growth**

<table>
<thead>
<tr>
<th>Baseline Revenue</th>
<th>Revenue Growth (without inflation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>15.47%</td>
<td>0.00% 1.00% 2.00% 3.00% 4.00%</td>
</tr>
<tr>
<td>250,000</td>
<td>9.07% 9.78% 10.51% 11.24% 11.99%</td>
</tr>
<tr>
<td>300,000</td>
<td>11.53% 12.30% 13.08% 13.87% 14.68%</td>
</tr>
<tr>
<td>350,000</td>
<td>13.82% 14.64% 15.47% 16.32% 17.17%</td>
</tr>
<tr>
<td>400,000</td>
<td>15.98% 16.84% 17.72% 18.61% 19.50%</td>
</tr>
<tr>
<td>450,000</td>
<td>18.02% 18.93% 19.84% 20.77% 21.70%</td>
</tr>
</tbody>
</table>

**Fixed-Rate Lease vs. Revenue Capture**

<table>
<thead>
<tr>
<th>Fixed Lease</th>
<th>Revenue Capture</th>
</tr>
</thead>
<tbody>
<tr>
<td>15.47%</td>
<td>5.00% 10.00% 15.00% 20.00% 25.00%</td>
</tr>
<tr>
<td>13,333</td>
<td>-7.75% 2.12% 9.12% 14.82% 19.75%</td>
</tr>
<tr>
<td>23,333</td>
<td>-2.28% 6.01% 12.37% 17.72% 22.42%</td>
</tr>
<tr>
<td>33,333</td>
<td>2.32% 9.60% 15.47% 20.53% 25.05%</td>
</tr>
<tr>
<td>43,333</td>
<td>6.39% 12.97% 18.46% 23.28% 27.63%</td>
</tr>
<tr>
<td>53,333</td>
<td>10.12% 16.17% 21.36% 25.97% 30.19%</td>
</tr>
</tbody>
</table>

**Vacancy Rate vs. Revenue Growth**

<table>
<thead>
<tr>
<th>Vacancy Rate</th>
<th>Revenue Growth (without inflation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>15.47%</td>
<td>-2.00% 0.00% 2.00% 4.00% 6.00%</td>
</tr>
<tr>
<td>30.00%</td>
<td>9.66% 11.41% 13.19% 15.00% 16.85%</td>
</tr>
<tr>
<td>20.00%</td>
<td>10.95% 12.62% 14.34% 16.09% 17.88%</td>
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<tr>
<td>10.00%</td>
<td>12.21% 13.82% 15.47% 17.17% 18.91%</td>
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<tr>
<td>0.00%</td>
<td>13.45% 14.99% 16.59% 18.23% 19.92%</td>
</tr>
<tr>
<td>-10.00%</td>
<td>14.66% 16.15% 17.69% 19.29% 20.93%</td>
</tr>
</tbody>
</table>

* Benchmark IRR: 11.70%
Benchmark Regression

Blended S&P REIT & Agriculture Indices
Monthly Returns vs. S&P 500

$R^2 = 0.30839$