

Adam Capital Lending Overview

Putting the Financial Power in the Clean Energy Revolution

ADAMcapital

CLEAN ENERGY ASSET FINANCE

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Solving the Clean Energy Funding Gap

Background

- Clean energy enjoys the long-term support of numerous government-mandated cash incentives, positive market pressures, and increasing consumer demand
- Energy security, economic recovery and the health of our environment all rely on the success of clean energy

Problems

- Thousands of projects are stalled for lack of up-front financing, because most incentives are earned only after the clean energy system is installed (funding gap between install and incentive payment)
- Few traditional financing sources have the combined liquidity and expertise to address these enormous needs
- In 2011 utility incentives and ITC grants may not be extended

Solution

- Adam Capital has the track record and expertise to fund clean energy projects and solve these problems

About Adam Capital

- Adam Capital Clean Energy Asset Finance LLC is a private investment fund extending loans to clean energy developers who pledge collateral in the form of equipment, local incentive cash payments, ITC grant cash payments, or energy purchase / lease agreements.
- Adam Capital brings needed underwriting experience and capacity to the less than \$5 million clean energy lending space.
- In addition to providing project and long-term financing we are also assisting developers in navigating the complexities of tax equity structures so they can inject even more capital into distributive scale projects.

Adam Capital Clean Energy Financial Solutions

- Project, Construction, or Install Finance
- 7-10 year Financing
- Funding for pools of residential leases
- Funding for roof top scale commercial leases
- Debt funding for power purchase agreements
- Debt funding for purchase and sale agreements
- Bridging the gap between construction and future cash flows
 - ITC grant
 - PACE (SCEIP) funding
 - Government Grants
 - RECs and sRECs
 - Utility Incentives
 - Tax Equity
 - Long Term Financing

Technology

- As an asset- based lender, we only fund to mature technology that is proven, demonstrated, and tested over time at commercial scale.
- We are open to a variety of clean technology, including but not limited to:
 - Solar PV
 - Solar Thermal
 - CPV
 - Waste to Energy
 - Wind
 - Geothermal
 - Bio Fuels
 - Efficiency Measures
 - Safe Hydro
 - Clean Tech

Unique Approach

- Adam Capital can assist qualified developers in creating their own internal lease and finance programs.
- Developers who offer their own leasing and financing report enjoying numerous benefits:
 - Great long term income
 - Low or NO upfront costs to the consumer
 - Greater flexibility in negotiations and pricing
 - Match the payment timing to depreciation benefits
 - Building balance sheet
 - Greater 'staying capacity' in changing markets

'Typical' Project Finance Terms

- 12 to 14% interest rate
- 6-month term
- 3% origination fees
- Legal and doc prep fees
- Minimum loan amount \$250,000
 - Smaller transactions in pools may be acceptable
- Maximum loan amount \$1 million
 - Larger loan amounts may be approved on an exceptional basis

Timing and Process

- Steps to success:
 - Contact Adam Capital Investment Operations, Larry Farris ,by phone and answer 5 questions
 - Begin preliminary underwriting
 - We set up a drop box (shared file system)
 - You submit needed documents via drop box
 - We issue a letter of intent
 - We mutually complete underwriting
 - Attorneys draft and review docs
 - Electronic loan signing
 - You submit collateral for disbursements
 - We disburse in stages
 - We receive assigned cash flows
- Total time 2-3 weeks to close
- 3-5 days for each disbursement

Funding Cycle of a Typical Six-month Loan

1. **Adam Capital performs due diligence**
 - Loan guarantees, incentives, borrower experience, repayment capacity, collateral, credit
2. **Adam Capital extends loan to Borrower**
3. **Draw Schedule – Course of Installation**
 - 10% prior to Engineering and Permits
 - 70% issuance of permit - paid to installer and equipment provider
 - 10% City final inspection
 - 10% Interconnection
4. Tax Equity Investor (If Any) Enters Project
5. **Project completion triggers incentive payments and significantly reduces principal**
 - Utility incentive paid
 - Investment Tax Credit grant paid
- **Adam Capital assigns loan to permanent / long- term lender**
 - Permanent lender enjoys government or utility backed payment streams
 - Conservative DSC
 - Aggregated loans can be sold to secondary markets

Other Financing

- We are constantly growing and implementing new programs to serve you.
- We are presently developing the following:
 - Larger or smaller loan amounts
 - Long-term financing
 - Tax equity structures
- We can also offer training, consulting, and speaking at your event.

Getting Started

- Call Larry Farris , Investment Operations at **480-993-5513** Larry@AdamCapital.com
 - In order to expedite your request, please be prepared to answer the following questions:
 - Loan Amount
 - Collateral
 - Deal Structure
 - How we get paid back (be specific)
 - Your team's capacity to execute the plan
 - Proven and demonstrated technology at proposed scale

US Government Six-year Commitment to Investment Tax Credit Provides Loan Repayment Liquidity for Adam Capital

- The US Government committed to extend a 30% Investment Tax Credit to renewable energy projects for eight years, in 2008.
- Monetized Investment Tax Credits are an important source of liquidity for a variety of clean energy technology, including solar photovoltaic, solar thermal, geothermal, and biomass generation.
- Investment Tax Credits (ITCs) can be transferred to investors with a variety of tax appetites.
- In addition to the Investment Tax Credit, MACRS depreciation can be structured with outstanding returns for select tax appetite investors.
- Our team has specific expertise and experience monetizing ITC and depreciation tax equity.



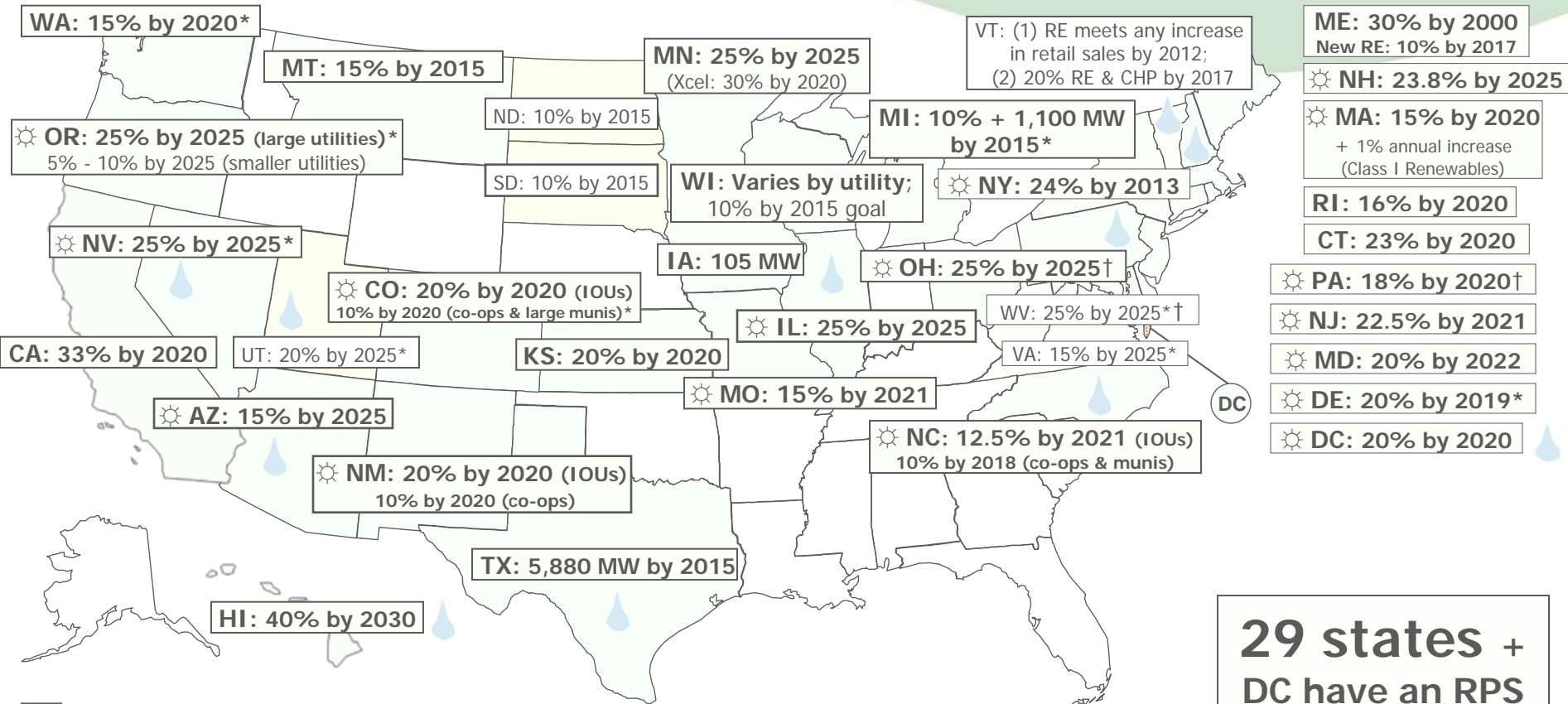
State Mandates Provide Loan Repayment and Liquidity for Adam Capital

- The majority of states have passed renewable portfolio standards (RPS) laws that require utilities to support clean renewable energy.
- To comply with RPS laws, utilities pay renewable energy project owners \$1 to \$3 per watt of system capacity, for the right to claim the energy production for RPS compliance purposes. Funding comes from earmarked surcharges paid by rate payers.
- Assignable utility cash incentive payments can offset 20-30% of projects costs and are a frequent source of loan repayment and liquidity for Adam Capital.



Renewable Portfolio Standards

www.dsireusa.org JANUARY 2010



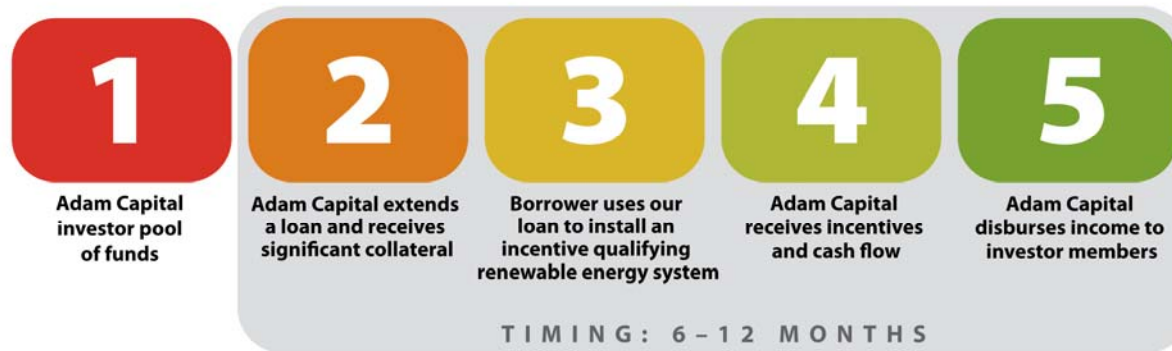
- State renewable portfolio standard
- State renewable portfolio goal
- Solar water heating eligible

- ☀ Minimum solar or customer-sited requirement
- ✳ Extra credit for solar or customer-sited renewables
- † Includes non-renewable alternative resources

29 states + DC have an RPS

Six states have goals

Loan Process



Adam Boucher, Chief Executive Officer



Adam Boucher is Chief Executive Officer and Founder of Adam Capital Inc, a clean energy investment fund management Company. Adam Capital presently manages Adam Capital Clean Energy Asset Finance LLC. Boucher provides all leadership and direction in all operations, presides over the loan committee, investor relations, and fund management.

The architecture of the fund reflects Adam Boucher's personal vision. He represents a new generation of fund manager, with an absolute commitment to collateralized asset-based lending and a personal resolve to triple bottom-line returns. Mr. Boucher is a recognized leader in the field of green energy finance and has been an invited speaker /presenter at the SD Forum and West Coast Green, among others.

Mr. Boucher has been personally engaged in asset-based lending since 2003. Investing his own capital, he has assembled a team with extensive experience in asset-based lending in the green energy sector to manage Adam Capital Clean Energy Asset Finance LLC.

He is also a Principal with Determined Productions, Inc. Determined Productions pioneered the commercialization of intellectual property licensing, with offices in San Francisco, Los Angeles, Tokyo, and Hong Kong. The firm serves Fortune 100 companies.

A 1995 graduate of University of California San Diego, he was UCSD Executive Chairman, CALPIRG (California Public Interest Research Group). Through CALPIRG, Boucher helped launch the "Ancient Forest Campaign," which ultimately saved thousands of acres of ancient rain forests in British Columbia.

"I get up in the morning knowing I am doing something meaningful for myself, my kids, my investors and our future. I know that we do not have to take on excessive risk to solve America's challenges and I am determined to create value from win-win-win situations," says Mr. Boucher. Mr. Boucher is a San Francisco native and currently resides in Sonoma, California. He has lived in Italy, Argentina and Sweden, and he is fluent in three languages. He serves on the Board of Directors of the Sonoma International Film Festival.

Larry Farris, Loan Operations



Larry Farris leads Loan Operations and is a member of the loan committee. His roles include underwriting, asset analysis, risk analysis, negotiations, deal structure, and loan servicing. Mr. Farris is an expert in clean energy technologies and incentives and he has 15 years experience in collateralized asset based lending.

Farris founded Capital Group, Ltd in 1993. Capital Group was an Oregon-licensed mortgage banker providing underwriting, collateralized note investments, loan servicing, and consulting. Utilizing yield enhancement, Capital Group generated consistent annual yields in double digits.

Over the last 15 years, Farris has underwritten loans and financial structures involving purchase, refinance, construction, and project finance secured by a variety of assets including real estate, construction projects, redevelopment projects, inventory, livestock, non-tangible property, business personal property, trucks, and equipment.

Farris has been directly responsible for clean energy project development.

Farris is sought after as a clean energy finance speaker for radio, conferences, and symposia, and he is leading the Adam Capital Solar Finance Summit.

His experience in wetlands remediation and abatement, toxic chemical remediation, fire restoration, creditor issues in foreclosure and bankruptcy, repossession and disposition of a variety of classes of collateral, land use and development issues, as well as securities and lending regulatory issues all demonstrate Farris' breadth of experience and expertise for the underwriting role required of him with Adam Capital.

Mr. Farris has a BS in Management from Linfield College.

More Information?

For more information about Adam Capital lending, please contact:

Larry Farris, Investment Operations

480-993-5513

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www.AdamCapital.com