

Integrated Mortgage + C-PACE Solution

STRETCH SENIOR LEVERAGE AT BELOW-MARKET BLENDED COST OF CAPITAL

PACE Equity offers a full capital stack solution for institutional-quality sponsors – senior mortgage debt integrated with Commercial PACE (C-PACE). The senior debt combined with C-PACE offers a low-cost, high LTC solution for both development and recapitalizations.

PACE Equity is recognized as an industry-leading commercial real estate lender with experience in originating and closing innovative and complex transactions with a cost-efficient process. With \$2B+ of committed capacity, we offer the direct lending solutions and expertise to move your projects forward.

FINANCING PARAMETERS: Integrated Mortgage + C-PACE Terms

Purpose:	Bridge, Development, Recapitalization/Construction Takeout (up to 3 years post-CO), Conversions.
Combined Amount:	Minimum \$40 million; maximum \$200 million.
Property Types:	Multifamily, Senior Housing, Hospitality, Retail, Office, Industrial – pre-leasing required for retail, office and industrial.
Interest Rate:	<i>Mortgage:</i> Fixed or floating spread over SOFR. <i>C-PACE:</i> Fixed rate over the term; spread over 10-year UST.
Debt Service Coverage Ratio:	1.0x at all times with reserves funded into the loan based on a 25-year amortization.
Combined LTV/LTC:	Up to 75%.
Experience:	Significant full cycle track record in targeted asset class with development portfolio exceeding \$1B.

C-PACE Terms

Amortization:	Interest capitalized for up to 4 years, then fully amortized over the term. Interest only options available during stabilization.
Term:	Up to 30 years.
Recourse:	Non-recourse, completion guarantee for development. Limited carry guarantees may apply.
Prepayment:	Prepayable at any time subject to step-down prepayment premium. No lockout.
Repayment:	Paid through an annual or semi-annual non-accelerating special tax assessment.

Mortgage Terms

Amortization:	Interest only.
Term:	Up to 3-year term with up to two 1-year extensions.
Guarantees:	Non- to limited-recourse; completion guarantee required for development.
Prepayment:	Customizable, based on exit timing and strategy.
Note:	Mortgage is only available in combination with the C-PACE product.

INFORMATION TO GET THE PROCESS STARTED

- Loan request/offering memo
- Sources & uses
- Market comps (local & recent)
- Rent roll
- Current equity arrangement
- Market study
- Functional financial model
- Current appraisal

DETAILS ABOUT C-PACE FINANCING

Commercial Property Assessed Clean Energy (C-PACE) is private capital financing for qualifying commercial construction improvements. Enabled through a state legislated public/private partnership, C-PACE provides 100% financing for specific expenditures in a commercial building's construction budget, typically 30-65% of hard costs.



Moving projects forward

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