

Integrated Mortgage + C-PACE Solution

STRETCH SENIOR LEVERAGE FOR LOW-COST, HIGH LTC SOLUTION

PACE Equity Finance offers a Total Debt 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 Finance is an industry-leading commercial real estate lender with experience in originating and closing innovative and complex transactions with a cost-efficient process. Backed by a \$26 Billion balance sheet, 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.
PREPAYMENT:	Prepayable at any time subject to step-down prepayment premium. No lockout.
INTEREST ONLY:	Up to 5 years, capitalized or current pay.
DELAYED DRAWS:	Ability to fund with one fixed rate on a scheduled basis over 24 months to align with construction schedule.
REPAYMENT:	Paid through 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.

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

C-PACE is long-tenor, fixed-rate credit, assessed against the real estate and collected as a property tax line item. It is an asset-backed, passive tax-lien-priority structured finance product. It often replaces mezzanine or preferred equity due to its lower cost and up to 30-year fixed rate term.

C-PACE financing funds specific improvements in a construction budget. Typical eligible improvements include HVAC systems, heat pumps, high-efficiency windows, conservation measures, renewable energy systems, and building resiliency measures. Funding typically covers 20-35% of the development budget and up to 100% of a renovation budget.



PACE EQUITY
FINANCE

FIRST

TO FUND C-PACE WITH TAX CREDITS SUCH AS TIF / NMTC / HTC / OZ AND MORE

FIRST

TO USE C-PACE FOR COMMERCIAL RECAPITALIZATION

FIRST

TO USE C-PACE FOR NEW CONSTRUCTION FINANCING

EXECUTION PLATFORM



- Founded in 2014, funded \$1 billion+ in C-PACE across over 200 transactions.
- Vertically integrated finance platform delivering certainty of execution. Turn-key, in-house expertise for structuring, engineering, and servicing.
- Execution certainty: backed by Aquarian Holdings, a diversified global holding company with a strategic portfolio of insurance and asset management solutions exceeding \$26B AUM.
- Tailored, bespoke financial structures solving complex capital needs.

C-PACE FUNDING: \$23.5 M

Development in Dallas | Ft. Worth Metro



- Stretch-debt capitalization via senior construction debt + C-PACE to complete the stack without LP equity
- Deliver a 100% GP structure with flexible prepayment provisions aligned to planned exit

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