

Integrated Mortgage + C-PACE Solution

STRETCH SENIOR LEVERAGE FOR LOW-COST, HIGH LTC SOLUTION

PACE Equity Finance 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 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.
DELAYED DRAWS:	Ability to fund on a scheduled basis over 24 months to fit construction schedule. Not every deal will need 24.
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.

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 a public/private partnership legislated by the state to provide a financing vehicle for commercial development and renovation projects that decrease utility & water expenses, or include renewable energy or building resiliency measures.

- Long-term (20-30 years) fixed-rate, non-recourse financing priced substantially lower than owner's equity, preferred equity, non-bank loans, and mezzanine financing.
- Private capital funding source — no taxpayer money or guarantees provided.
- Assessments "run with the land" so C-PACE is non-recourse to the borrower. It does not accelerate or become due upon the sale of the property. Assessments are prepayable at any time and may automatically transfer upon property sale.

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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