

What is C-PACE financing?

Commercial Property Assessed Clean Energy (C-PACE) is a financing mechanism that provides commercial real estate owners with non-recourse, long-term, fixed-rate financing for energy efficient and renewable energy projects.

- Covers 100% of eligible improvements and self amortizes over the loan term (up to 30 years).
- Generally contributes 20-30% of a property's value or project cost.
- Is legislated on a state-by-state basis.
- Secured and repaid by a special assessment attached to the property.

ELIGIBLE IMPROVEMENTS



High efficiency lighting



Seismic retrofit



HVAC upgrades



Water conservation



Roof replacement



Building envelope



Boilers, chillers, furnaces



Automated building controls



Renewable energy

C-PACE in the capital stack

Hybrid Equity:

Provides a long-term, fixed-rate payback period.

Lowers Cost of Funds:

Originated at a fraction of the cost of mezzanine debt and/or equity.

Pass Through Expense:

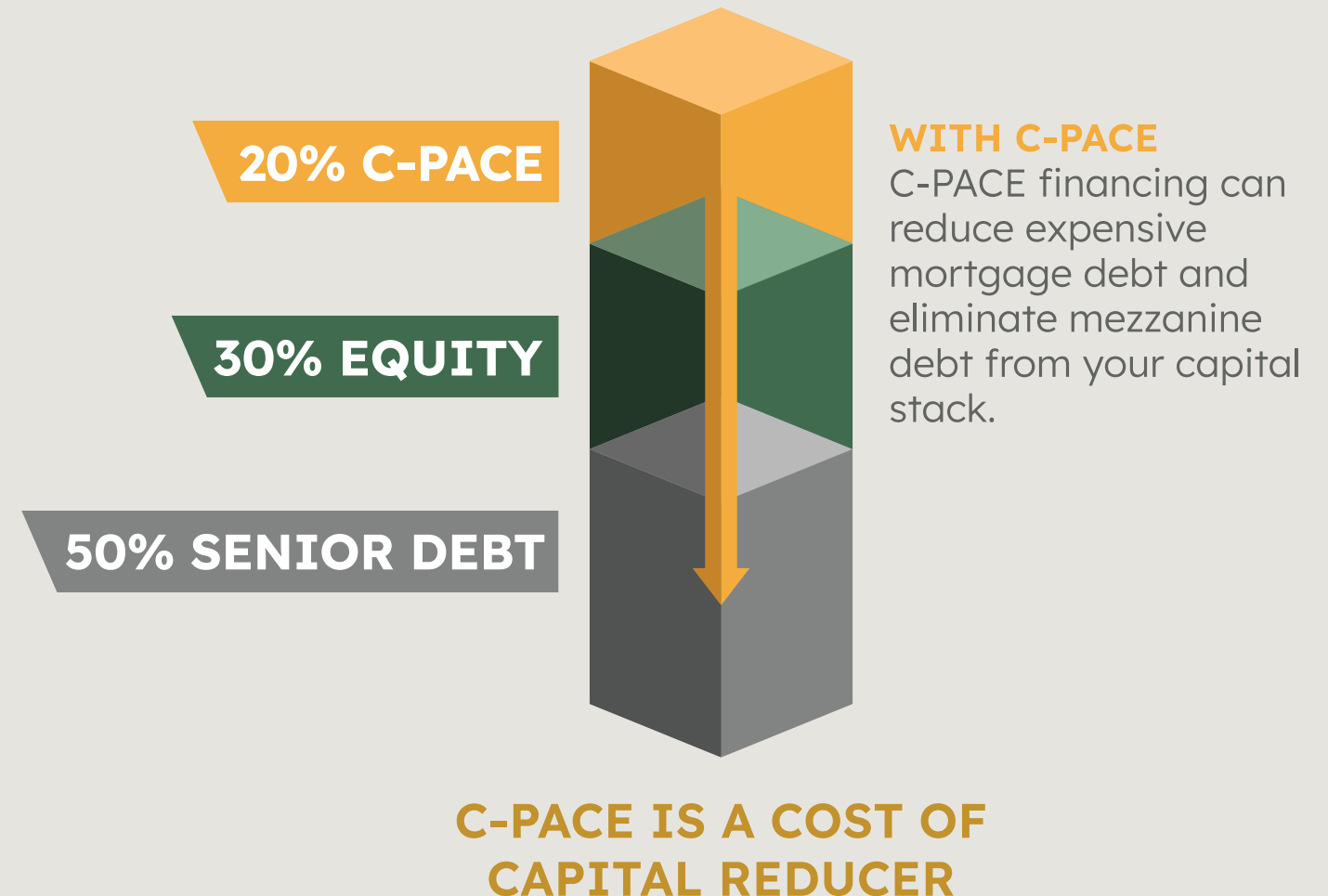
C-PACE is structured as a tax payment and can be passed through as an operating expense on triple net leases.

Cash Flow Positive:

Reduced utilities and operating expenses often outweigh the annual C-PACE interest payments.

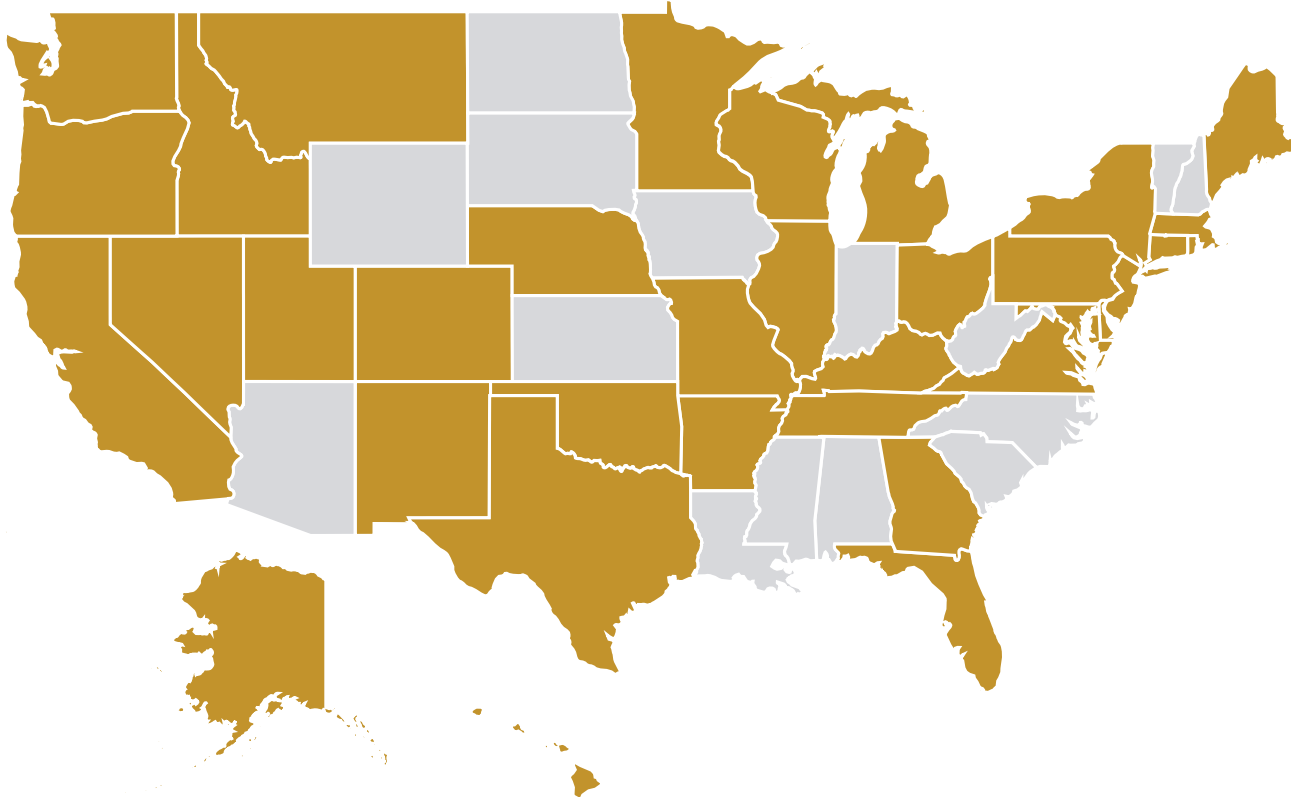
Promotes Efficiency and Renewable Energy:

C-PACE facilitates energy efficient/renewable energy projects which may otherwise be cost prohibitive.



C-PACE is available & active nationwide

- More than 35 states (plus Washington DC) have passed PACE legislation. The majority of these states have C-PACE programs in effect.



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|-------------|---------------|---------------|
| Alaska | Maine | Ohio |
| Arkansas | Maryland | Oklahoma |
| California | Massachusetts | Oregon |
| Colorado | Michigan | Pennsylvania |
| Connecticut | Minnesota | Rhode Island |
| Delaware | Missouri | Tennessee |
| Florida | Montana | Texas |
| Georgia | Nebraska | Utah |
| Hawaii | Nevada | Virginia |
| Idaho | New Jersey | Washington |
| Illinois | New Mexico | Washington DC |
| Kentucky | New York | Wisconsin |

Deploy capital efficiently and responsibly

- Non-recourse, fixed-rate financing available for all asset classes.
- Originally conceived for renovations, energy and water conservation, and weather retrofits.
- Perfect fit for capital stacks for new construction/gut rehab/adaptive reuse deals.

PROPERTY TYPES

Multifamily, Industrial, Retail, Hospitality, Senior Living, Office, Self-Storage, Student Housing, and Mixed Use

PROJECT TYPE

Retroactive, Gut Rehab, Adaptive Reuse, Ground Up Development, and Renovation

ELIGIBLE IMPROVEMENTS

Energy efficiency, renewable energy, water conservation, flood mitigation, solar, and seismic retrofit

LOAN TERM

Up to 30 years, location specific

MAXIMUM LEVERAGE

35% of appraised value, location specific

PREPAYMENT

No lockout but subject to prepayment penalties

RECOURSE

Non-recourse. Completion guaranty where applicable

Frequently asked questions

How does C-PACE fit with the existing financing on my project?

- C-PACE is a flexible form of financing that fills gaps in the capital stack:
 - C-PACE can substitute high-octance senior debt, blending down interest rates and cost of capital.
 - C-PACE also acts as an “Equity Reducer and IRR Juicer™”, substituting more expensive preferred equity and/or mezzanine debt.

How can C-PACE be utilized retroactively?

- In most states, C-PACE can retroactively cover eligible improvements completed in the past 1-3 years.
- By looking back to previous improvements, owners can reduce cost of capital, improve cash flow, and cover cost overages with redirected capital from retroactive C-PACE.

What happens if the property sells?

- The C-PACE payment obligation transfers to the new owner upon sale, but can also be voluntarily prepaid at any time.

What project sizes can you fund?

- Anything \$1M+