

## NEXT GENERATION CONSTRUCTION FINANCE

- Fills equity gaps in development capital stacks
- Reduces cost of capital (50% less expensive than mezzanine debt)
- Dramatic improvement to sponsors' financial returns
- Transparent, rapid approval process

### Case Study

**+640bps**  
return on equity

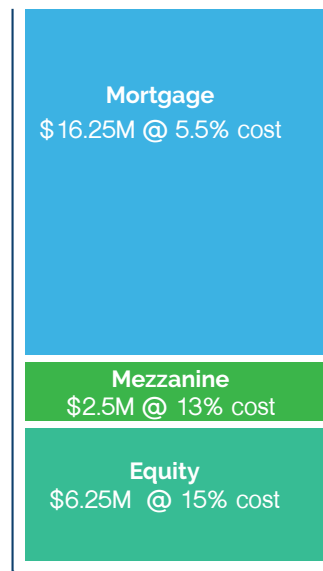
**-160bps**  
wtd. cost of capital

**-\$2.5M**  
required equity

**+\$310k**  
annual free cash flow

The developer faced an equity shortfall requiring expensive mezzanine debt. C-PACE filled the equity gap, decreasing the weighted cost of capital, eliminating the need for mezzanine debt and reducing required equity.

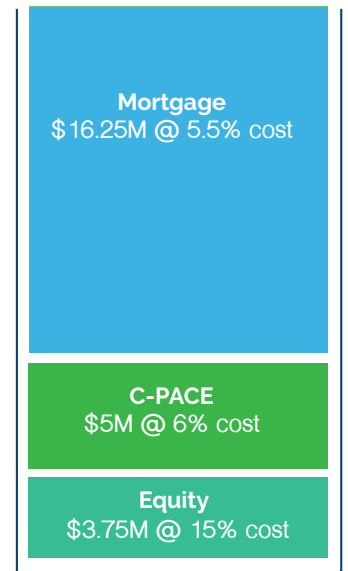
#### Traditional Capital Stack



**8.63%**

Weighted avg. cost of capital

#### Capital Stack with C-PACE



**7.03%**

Weighted avg. cost of capital

#### BENEFITS:

- ✓ Tax assessment structure may allow pass-through on NNN leases and room surcharges
- ✓ Non-recourse, fixed rate and long terms
- ✓ Cannot be accelerated (called due)
- ✓ Construction through term financing