

Current economic volatility has caused an unprecedented level of disruption in the hospitality industry. Ongoing or recently-completed hotel construction or retrofitted properties can access low-cost, long-term financing with no payment for 24 months to replenish reserves, provide working capital, and reduce senior loan payments – bridging properties to stabilization.

## Proceeds may be used to:

- ✓ Fund construction cost overruns
- ✓ Replenish operating reserves
- ✓ Cover existing lender debt service
- ✓ Pay down existing leverage

STABLE FINANCING THROUGH ANY ECONOMIC CLIMATE

## PROGRAM HIGHLIGHTS

- ✦ Net proceeds up to **20-30% of property value**
- ✦ **Fixed interest rate ~5.5% to 5.95%** with a long amortization (20-30 years from 1<sup>st</sup> payment date)
- ✦ **Delayed first repayment** – typically 24 months post-closing
- ✦ Non-recourse except for ongoing development projects which require a completion guarantee
- ✦ Financing secured via a non-accelerating property tax assessment (C-PACE assessment)
- ✦ Prepayable at any time subject to declining payoff fee
- ✦ No financial covenants after completion
- ✦ Transparent, rapid approval process

## SAMPLE IMPACT

Recapitalization of a \$50M Hotel Project

A \$50M hotel development is initially capitalized with \$20M (40% LTC) of equity and \$30M (60% LTC) of construction financing charging 5.5% interest-only. The project faces \$5M of cost overruns and operating reserve shortfalls. Assuming a \$64M as-stabilized valuation, C-PACE can fund \$12.8M (20% LTV) to cover:

### \$12.8M IN C-PACE FINANCING CAN FUND:

**\$5.0M**

of cost overruns and operating reserves

**\$3.3M**

of senior debt service reserves to cover 24 months

**\$1.7M**

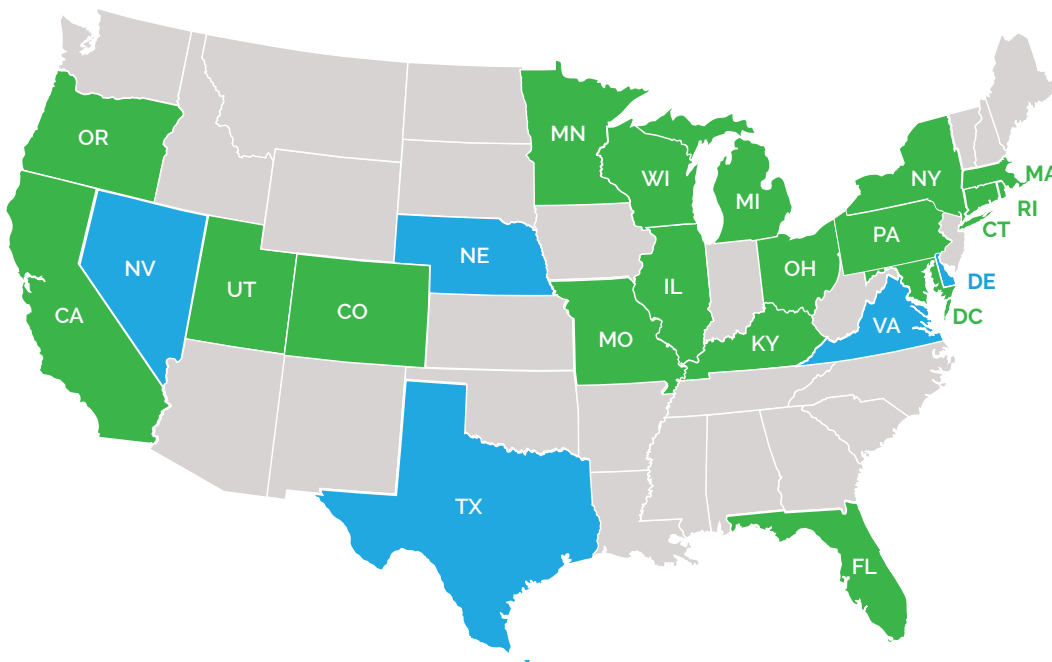
of C-PACE capitalized interest reserve to cover 24 months

**\$2.8M**

paydown of the senior loan

**ELIGIBLE PROPERTIES AND SPONSORS:**

- ✓ C-PACE-eligible work planned or completed at the property within market's relevant look-back period; ground-up development projects eligible in most C-PACE markets (see map below)
- ✓ Limited to well-located properties in a top 50 MSA
- ✓ No tax delinquencies in the prior 3 years
- ✓ Written consent must be provided from all secured lenders
- ✓ Sponsor background searches will be run and any past material legal issues must be disclosed by sponsor up front
- ✓ Property must have a viable path to stabilization with a >1.25x DSCR within 5 years
- ✓ Properties with monetary defaults on existing financing will be reviewed on a case-by-case basis



■ States where Greenworks lends  
 ■ States where Greenworks lends and can retroactively fund recently-completed projects.

**Look-back Limits:**

- CA: 3 years
- CT: 1 year
- CO: 2 year
- DC: Case-by-case
- FL: 3 years
- IL: Case-by-case
- KY: No limit
- MA: Back to Aug of 2016
- MD: Case-by-case
- MI: 3 years
- MN: 1 year
- MO: Case-by-case
- NY: Case-by-case
- OH: No limit
- OR: 1 year
- PA: Back to Aug of 2018
- RI: Back to July of 2015
- UT: 3 years
- WI: 30 months

**PACE ELIGIBILITY:**

Greenworks' recapitalization funds are limited by C-PACE (Commercial Property Assessed Clean Energy) eligibility.

1. Properties must have ongoing or recently completed C-PACE-eligible construction. Typically, all energy and water-related construction (ex. window, HVAC replacement, etc.) and associated soft costs or green new construction qualify.
2. If C-PACE eligible construction is already completed, it must be located within a C-PACE program that allows for retroactive financing.

**To Learn More Contact**



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At Green Pace Financial our goal is to help finance the next generation of commercial buildings utilizing the most energy efficient improvements financed at a low fixed interest rate giving our clients the necessary leverage to improve or build more energy efficient buildings and communities.