CHICAGO PACE

PACE VS. MEZZANINE

Reducing Mezz Financing by Half

TYPICAL MEZZANINE FINANCING STRUCTURE

Expensive (high interest rate and fees), complicated, introduces a "lender" that may (want to) become the owner of the project, uncertain costs because of floating rate structure.

TYPICAL PACE FINANCING STRUCTURE

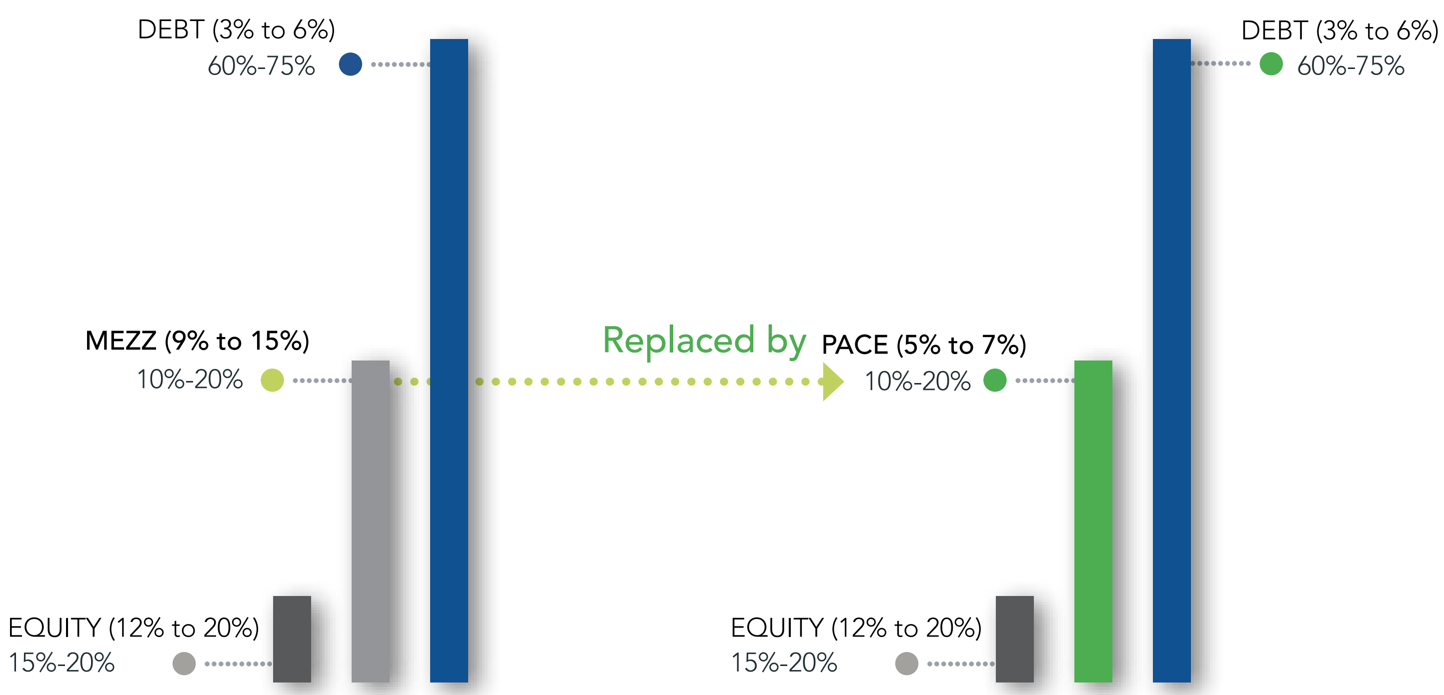
Significantly less expensive, fees and deferred interest can often be included in the financing - resulting in zero "out of pocket" expense to the Borrower. May be combined with mezzanine financing, transferable, pre-payment flexibility, fixed payments, and potential off-balance sheet treatment.

CONVENTIONAL CRE

% of Cap. Stack

C-PACE FINANCING

% of Cap. Stack



Allows increased leverage and "bridge" between debt and equity.

Only in select jurisdictions, less well-known and understood, requires first mortgage lender to consent to PACE financing.

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ADMINISTERED BY: Loop Counterpointe PACE

A PROGRAM OF:

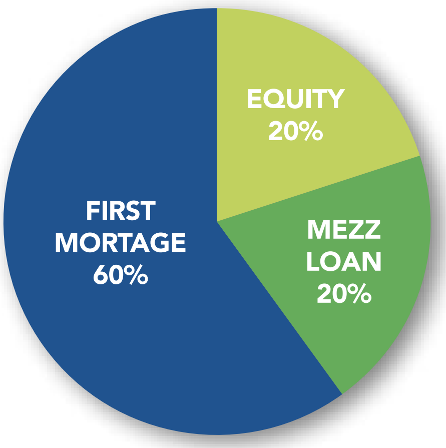
PACE VS. MEZZANINE

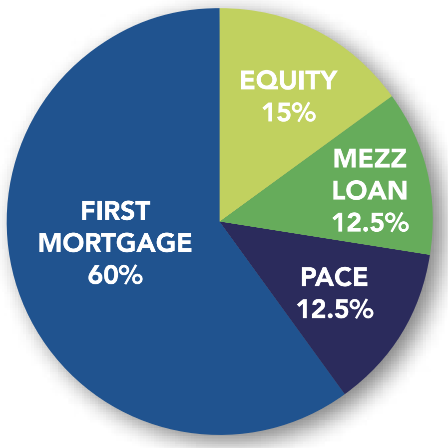
Reducing Mezz Financing by Half

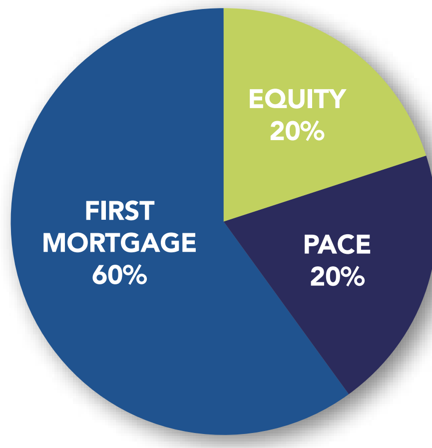
DELIVERING A REDUCTION IN THE OVERALL BLENDED RATE OF YOUR CAP STACK

SCENARIOS

The below scenarios demonstrate that PACE can be used as a substitute for, or addition to, mezzanine debt to: increase equity yields and/or reduce equity requirements. It is important to note that the below analysis does not contemplate the increased legal costs, or the interest rate risk with most mezzanine financing.







MEZZANINE

9.6%

CASH-ON-CASH RETURN

ASSUMPTIONS
L+400 bps IO
L+1300 bps IO

PACE WITH MEZZANINE

13.7%

CASH-ON-CASH RETURN

ASSUMPTIONS
L+400 bps IO
L+1300 bps IO
6.5 %@25 yr amt

PACE

16.8%

CASH-ON-CASH RETURN

ASSUMPTIONS
L+400 bps IO
6.5 %@25 yr amt