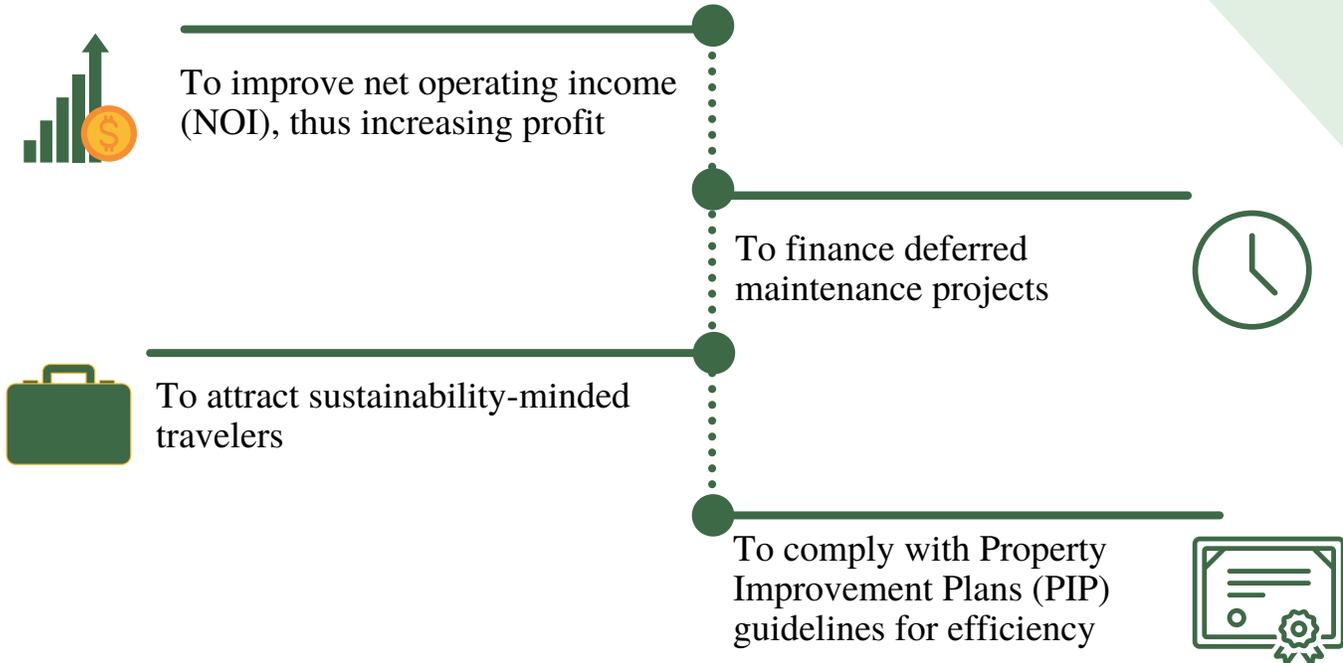


MD-PACE for Hospitality Properties

C-PACE is a flexible financing tool that can allow commercial borrowers, including owners of hospitality properties, to access capital for energy efficiency, water or air quality, resiliency, and environmental remediation projects. The financing is secured by a voluntary tax assessment on the property and repaid via a surcharge on the property's tax bill.

Why the hospitality industry uses C-PACE:



Other advantages of C-PACE:

- Property-backed financing requires no personal matching or other collateral requirements to access funds
- 100% upfront financing
- Assessment transfers upon sale to subsequent owners
- Low fixed interest rates
- Long repayment terms
- Assessment never accelerates



Case Study: The Latrobe Building



ASH NYC acquired Baltimore's historic Latrobe Building and sought to convert it into luxury hospitality space. To achieve efficiency savings and provide a high-quality, sustainable lodging experience for guests, ASH NYC needed to invest in high-performance energy and water measures. C-PACE provided an option that avoided \$3.9 MM of upfront capital commitments, and could be paid down over an extended period. The ultimate result of this project was a durable, efficient, and high-quality space that was achieved at a substantially lower cost than if ASH NYC used mezzanine debt. The efficiency savings of the measures installed using C-PACE financing will net ASH NYC a projected \$4.6 MM over the lifetime of the savings, a return of 1.19 on the initial investment.

Improvements that are C-PACE financeable:



Energy efficient lighting and fixtures



Energy efficient systems such as HVAC systems



Renewable energy and battery storage systems



Measures that improve property resiliency



Water conservation improvements



Elevator modernization



Water or air quality improvements



Environmental remediation projects

To learn more about C-PACE, visit the MD-PACE program's website at www.md-pace.com.

To contact the MD-PACE program, please email info@md-pace.com.

