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X-Caliber Funding and CastleGreen Finance Complete \$122MM Refinance for Iconic Fairmont Breakers Long Beach Hotel in Long Beach, CA

Believed to Be First Lender to Internally Execute Bridge to HTC, Paired With C-PACE

IRVINGTON, N.Y. (February 26, 2024) - X-Caliber Funding (X-Caliber), a national, direct commercial real estate lender, and CastleGreen Finance (CastleGreen), an affiliate of X-Caliber that provides capital through Commercial Property Assessed Clean Energy (C-PACE) financing, today announced the refinance of Long Beach, California's Fairmont Breakers Hotel & Spa.

With these latest financings, X-Caliber and CastleGreen have provided a total of \$122.2 million in financing to the project. To date, the two X-Caliber affiliates have provided \$64.45 million in bridge loans, secured by a first mortgage and historic tax credits (HTC), and CastleGreen has provided \$57.75 million of Commercial Property Assessed Clean Energy (C-PACE) financing through the California Statewide Communities Development Authority's (CSCDA) Open PACE Program.

These financings demonstrate the wide scope of X-Caliber's product offerings and their ability to provide effective, flexible, and specialized financing solutions for borrowers.

"We are very pleased to provide this unique financing combination for such an impactful project that perfectly aligns with our lending products and business model," said Chris Callahan, President and CEO of X-Caliber. "The tax credits are designed to restore, reuse, and preserve iconic landmarks like the Fairmont Breakers Hotel, and they provide the borrower with greater flexibility to support their capital needs. The X-Caliber team has a specialized expertise in tax credits and C-PACE, and we are happy to be one of the first firms in the nation to provide this highly efficient product pairing under one umbrella to our clients."

C-PACE offers low-cost, long-term financing for energy efficiency, water conservation, and renewable energy projects, which aligns perfectly with a historic renovation or adaptive reuse.

"Partnering Historic Tax Credits and C-PACE financing is a double win – it breathes new life into aging structures while promoting energy savings and environmental responsibility," said Sal Tarsia, Managing Partner, CastleGreen Finance. "The structure is a smart choice for

borrowers looking for effective financing for renovations that reduce energy consumption and increase property value, while also preserving history. We were pleased to continue our work with Pacific6 to restore this iconic property to its historic grandeur and proud to have worked with our affiliated company at X-Caliber to close this creative structure, an unparalleled funding together under one roof.”

This is the second such combination executed by X-Caliber and CastleGreen that combines a first mortgage loan, C-PACE, and historic tax credits to fund a renovation project. The team completed a \$54.97 million mortgage loan and C-PACE joint transaction in April 2022 for the same sponsorship for 110 Ocean Center, also in Long Beach, California, and liaised with a third-party to execute HTCs. The borrower says the combination of financing has worked well for both of his historic projects, given the age of the property and their goal of maintaining its historic integrity.

“CastleGreen understood the game-changing potential of C-PACE when others didn't,” said John Molina, Founding Partner of Pacific Enterprises. “Their funding made our historic Downtown Long Beach renovations a reality. They're not just lenders; they're essential partners in our success.”

The project is designed to be energy efficient, is estimated to reduce water consumption by 6,241,339 gallons of water a year, and to produce cost savings of \$2,517,043 over the lifetime of the financing.

The renovated Breakers Hotel, which has been rebranded under the Fairmont brand, features 185 guest rooms, a rooftop pool, several restaurants, and a renovation of the iconic Sky Room. The 15-story hotel, which is among the oldest buildings in Long Beach, was originally built in 1926 and has a star-studded history of hosting guests like John Wayne, Clark Gable, Cary Grant, and Elizabeth Taylor. It is within walking distance of many of Long Beach's notable features, including the Convention and Entertainment Center, the restaurant district, the Aquarium, and the Long Beach Cruise Terminal. The hotel closed in 1988 and most recently operated as an assistant living facility.

The Fairmont Breakers Long Beach is projected to open this spring.

About X-Caliber – www.x-caliber.com

[X-Caliber](http://www.x-caliber.com) is a nationally recognized commercial real estate finance franchise whose affiliate companies provide direct mortgage lending, servicing, advisory, and investment opportunities leveraging expansive and innovative lending platforms that offer FHA, bridge, USDA, and C-PACE financing.

X-Caliber is focused on providing clients with the best capital solutions available to achieve their business goals, while focusing on some of the nation's greatest challenges – affordable housing, the environment, care for our seniors, and rural businesses.

X-Caliber has executed billions in loan transactions and has several business lines including X-Caliber Capital LLC, an FHA lender and servicer; X-Caliber Funding LLC, a bridge to HUD platform; CastleGreen Finance, focused on C-PACE financing; X-Caliber Rural Capital, a USDA-licensed lender; X-Caliber Investment Management, a specialist investment firm; and X-Caliber Advisors, a commercial real estate advisory firm.

X-Caliber and its affiliates have team members located in 14 states across the country.

About CastleGreen Finance – www.CastleGreenfinance.com

CastleGreen is a private capital source focused on Commercial PACE financing. CastleGreen brings extensive experience in commercial real estate across a broad range of financial disciplines. The real estate experience of the CastleGreen team, combined with its core C-PACE capabilities, provides its clients with the knowledge and resources to create a superior capital stack that meets all their needs and helps to unlock the potential of their commercial real estate. We understand that the most important part of any real estate transaction is showing up with the capital at closing. Our team focuses on the details of every deal to ensure we can get our clients to the finish line.