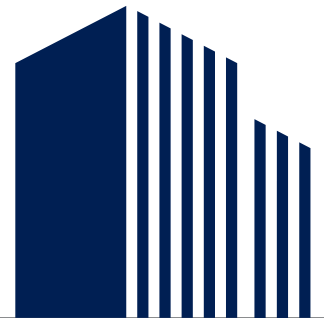


Solving for High LTC, Low Cost, and Execution Certainty

A STRATEGIC GUIDE TO
TOTAL DEBT SOLUTIONS



A Strategic Guide to Total Debt Solutions

EXECUTIVE SUMMARY

Debt markets are increasingly complex. Across many asset classes, but notably multifamily, hospitality, and senior housing, development pipelines remain strong. At the same time, there is intensifying pressure to identify **higher leverage, lower cost of capital, and flexible execution** in a fragmented lending environment.

This paper outlines solutions **that combine senior lending with C-PACE financing**, including both partnered and single-source structures.

MARKET CONTEXT: ACTIVITY MEETS COMPLEXITY

Today's CRE debt market presents a paradox:

- **Strong development activity** across key asset classes
- **Highly competitive lending landscape**
- **Persistent capital stack gaps** driven by:
 - Conservative senior leverage
 - Expensive mezzanine and pref equity
 - Increased scrutiny on sponsors and projects

TOTAL DEBT SOLUTION

An effective path to higher leverage is not layering costly capital—it's **integrating complementary financing sources into a unified structure**.

C-PACE plays a central role in this structure by providing:

- **Up to 20-35% of project capital**
- **Long-term, fixed-rate financing**
- **Non-dilutive capital**
- **No recourse to the sponsor**

When combined with senior debt, C-PACE enables a **total debt solution** that increases proceeds while lowering the overall cost of capital and delivering on the LTC challenge.

PACE Equity Finance has 2 approaches to a total debt solution, both of which solve for high LTC, low blended cost of capital, and execution certainty. We deliver stretch senior leverage without the rates you would expect for a total debt solution.

Simplicity Wins in Today's Market

Integrated debt solutions like **senior debt + C-PACE** achieve this by:

- Simplifying layers
- Reducing reliance on high-cost mezzanine financing or pref equity
- Aligning all parties around a cohesive structure

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1. LENDING PARTNER + C-PACE (FLEXIBLE, MARKET-DRIVEN EXECUTION)

PACE Equity Finance has partnered with banks across the U.S. to deliver an integrated total debt solution.

Senior debt from lending partner (bank, private lender, debt fund) + PACE Equity Finance C-PACE

Potential Benefits:

- Flexibility to match the most suitable senior lender for the deal
- Increased leverage while mitigating senior risk
- Improved DSCR through long-term amortization
- Generally lower rates than mezzanine capital and higher cost equity sources

 Maintain control of lender selection while pursuing enhanced proceeds, leverage, and deal feasibility.

2. AREP + C-PACE (STREAMLINED, SINGLE-SOURCE EXECUTION)

PACE Equity Finance offers a fully integrated solution.

PACE Equity Finance C-PACE + Aquarian Real Estate Partners (AREP)

About AREP: Aquarian Real Estate Partners (AREP) is the real estate investment arm of Aquarian Holdings, a diversified global holding company with a strategic portfolio of insurance and asset management solutions with approximately \$26.9 billion of book value AUM as of year end 2025.

This structure is designed to deliver a **total debt solution**, simplifying execution with a single diligence package and a synchronized credit process.

Benefits:

- Streamlined underwriting and approvals
- Faster timelines and reduced execution risk
- Optimized sizing across both capital components
- Single point of coordination

 Experience certainty and speed—critical deliverables for today's capital stacks.



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CASE STUDY: SCALING MULTIFAMILY DEVELOPMENT WITH INTEGRATED CAPITAL

A leading national multifamily developer, **JPI**, partnered with PACE Equity Finance to optimize its capital stack on a large-scale development.

Challenge:

- Enhance levered project IRR through low-cost, high-leverage financing
- Fully capitalize the stack while preserving sponsor control and avoiding outside LP dilution
- Minimize total cost of capital

Solution:

- Integrated senior financing (AREP) with C-PACE
- Stretch-debt capitalization via senior construction debt plus C-PACE to complete the stack without LP equity
- Deliver a 100% GP structure with flexible prepayment provisions aligned to planned exit

Outcome:

- Increased total leverage
- Reduced blended cost of capital
- Preserved sponsor equity and upside
- Achieved efficient, coordinated closing



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C-PACE has become a critical component of our capital stack strategy, allowing us to achieve higher leverage with a lower cost of capital.

JPI, VIA CoSTAR

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ABOUT PACE EQUITY FINANCE

Since 2014, PACE Equity Finance has been a leading provider of C-PACE financing, delivering long-term, fixed-rate capital that enhances project economics and enables higher leverage. Through both partner-based and integrated lending solutions, PACE Equity Finance empowers brokers and sponsors to execute complex transactions with confidence.

PACE Equity Finance: Scale, Credibility, and Execution

- Direct balance sheet lender
- \$1 billion in C-PACE funding to date, featuring competitive, market-leading pricing
- \$4.5 billion in senior debt closed alongside PACE Equity Finance
- C-PACE capital Delivering innovative C-PACE applications including the first C-PACE new construction, refinancing, and tax credit projects
- Flexible, solution-driven structures designed to align with sponsorship objectives
- Vertically integrated in-house engineering and execution platform delivering certainty of execution with 9.0+ customer satisfaction

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