CZERO

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CO

ESG Fund

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CZERO is a whole lifecycle real estate product that increases your asset value while easily validating your properties' sustainability performance. CO's ESG fund message is simple, yet utterly scientific. High-performing, sustainable living for all. By understanding our customers' environmental, social and governance needs in a complex building industry out came [CZERO's ESG-rated sustainable real products] - Affordable, high performance products that are easily understandable by all and can be rapidly applied to any built environment. With CZERO...environmental, social and governance performance such as zero carbon, energy, waste, water, onsite safety, financed emissions, climate risk and scope three, are built-in and automated. The real estate process is not impacted any differently, with one exception: information optimization, ease of use and valuation. The products seamlessly address the real estate's entire lifecycle, new, existing and recently completed buildings, residences and portfolios across all property types and asset classes. We call it the sustainable triangle...Model. Fund. Outperform.

Frequently Asked Questions

1. Why do clients receive a discounted interest rate?

Clients obtain a discounted interest rate for the loan's full amortization because they are implementing long-term sustainability features for the total lifecycle of the real estate asset. The interest rate reduction is specifically aligned to each product's environmental, social and governance performance level. As such, the products performance indicators are grouped and rated accordingly by way of A for environmental, AA for environmental and social, and AAA for environmental, social and governance. The discounted interest rate also helps cover hard and soft building costs, while also reducing the clients cost of capital and improving financial gains.

2. Why is the interest rate at prime?

The interest rate is at or below prime because the CO ESG fund is structured from private capital, designed specifically for ESG-grade sustainable real estate lending.

3. Are there geographical limitations in project scope?

No, the CO ESG global fund can provide real estate loans globally, so long as client projects adhere to the product's ESG-rated sustainability performance targets.

4. What type real estate projects can the clients use the loan capital for?

The customer can use the loan(s) for individual real estate projects, portfolio optimization, acquisitions, re-structurization, new real estate strategies, capital improvements, renovations, existing buildings and new construction.

Frequently Asked Questions

5. Is there a minimum and maximum financing amount?

Yes, the minimum loan financing amount is 10,000,000 million and maximum loan financing amount is 900,000,000.00

6. Do the fund's capital sources operate in other financial lines and business transactions?

Yes, the fund's capital sources do operate in other financial lines of business that are typical in capital markets.

7. What are the fund partners policy for its investments and lending practices?

The fund's capital sources ethical policy in most cases will prohibit financial services to individuals, organizations or businesses that are involved in the following: manufacture, use or storing of hazardous, toxic, or chemical materials or waste; business owners that are a party to any claim, lawsuit, or have declared bankruptcy; manufacturer or trade of military equipment; involved in biotechnology or the development of genetically modified organisms; and/or involvement in the animal trade.

8. Why do the capital sources want to provide ESG-grade funds for capital projects?

Through ESG-rated sustainable real estate, the fund's capital partners are able to have direct oversight, impact and reporting from the use of their investment capital at the project-level. As well as sustainable on balance sheet loans and better performing assets.

9. Where is the loan capital funded from?

The fund's loans are funded from private capital sources and relinquished from bank accounts globally. Client's ESG-grade loans are currently being funded from well-established institutional bank accounts in Turkey, Canada and Belgium.

10. How long does the loan process take?

The loan process typically takes between two and four weeks.

11. Is ESG-grade capital from the fund always available for sustainable real estate projects?

No, funds are lent annually on a first come first serve basis.

Frequently Asked Questions

12. What is the collateralized security in the form of an insurance policy?

The collateralized security is an insurance policy that the lender procures to insure the principle and interest of their loan, in the event the borrower defaults on their payments. In certain situations the insurance policy is issued in the form of a bond and circulated to investors.

13. Does the client have to pay for the collateralized security in the form of a bonded insurance policy and how much does it cost?

Yes the client does pay for the collateralized insurance policy, however, in most cases the cost is included and then deducted from the total loan amount. The bonded insurance policy cost depends on the client's risk profile, project owner's experience and scope, size and scale of the real estate project.

14. Does the client still need to obtain property and causality insurance or some other form of property insurance?

Yes the client still must retain adequate property insurance as the collateralized security/insurance bond insures the loan capital not the tangible property, construction or anything else in the event of a default.

15. Who structures the collateralized security in the form of a bonded insurance policy?

The collateralized security in the form of a bonded insurance policy is structured by the insurer or the banking institution.

16. What is the grace period and how does it work?

The grace period allows for the client to best position the project throughout construction by providing for no principle and interest payments for a pre-defined period of time. The payments during the grace-period do not accrue added interest, nor are placed on the backend of the total loan amount. The grace-period precisely aligns to the complexity of the construction timeline.

17. How does the financing process transpire

The fund and its capital providers have a streamlined and ethical financing process. The ESG-grade financing process includes the following steps: (1) ESG-rated sustainable real estate performance targets review; (2) loan terms and conditions assessment(3) formal intake application form completed; (4) signed application and underwriting documentation checklist submitted; (5) underwriting due diligence and risk analysis; (6) Letter of intent and final loan documents issued (7) Closing date set; (8) Loan documents notarized and collateral security issued; (9) Disbursement of loan at bank via bank to bank secured communication or where funds are wired directly from bank to delegated account (10) Fund and capital partners conduct ongoing investment oversight to provide continuous support and promptly address any potential issues (11) ESG-rated product bound to title(s) and report provided

18. How long does the closing take ?

The closing takes 1-3 days in total because the loan contract must be notarized, then the insurance policy in the form of a collateral security is issued and then the banking institution can remit the funds accordingly.

19. When does the borrower receive the funds on their capital account?

If the transaction is implemented via secured bank to bank communication this timing will typically depend on banking processes, protocols and procedures to ensure that capital is not derived from unethical means of business. In the case of bank to bank communication the client will receive the funds in 2-3 business days. If the loan is implemented via a direct wire amongst the parties to the contractual transaction then the funds are received simultaneously via online banking.

20. What happens if an unforeseen event such as natural disasters, geo political problems, etc. prevent the borrower from making payments to the lender?

In the loan agreement there is clause that states, in the case of such an event then monthly payments will be made to another account to ensure that defaults, credit rating, etc. are not impacted by such unforeseen events.

21. Why are the parties to the loan agreement entrusted with such a large amount of capital?

The due diligence processes on behalf of the borrower and lender comprised with their industry experience result in a mutually advantageous business partnership that best positions the parties for a very successful ESG-rated sustainable real estate asset.

Funding process timeline:

Week 1 – 3

1

Preliminary terms and conditions accepted

2

Underwriting checklist completed

3

Full project submitted direct to underwriting. CO I ESG lender due diligence

4

Lender's collateral insurance risk review

5

Disbursement of funds and notarized closing in person via insurer approved collateral or Disbursement of funds and closing digitally via bank-to-bank secured communication

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