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ESG Fund



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# Product ESG Factsheet

## ESG Fund I Sustainable Real Estate

Interest rate reductions  
for esg-rated sustainable building and residences

### Tackling Sustainability

We're committed to helping our customers by offering a turn-key ESG-Grade sustainable building and real estate solution for new projects, existing buildings and recently completed properties to make sustainable spaces accessible and affordable

### Smarter Impacts

- Up to 1.25% interest rate reduction (page five for cost of capital savings)
- Applies to full loan amortization
- All project finance types
- Reduce risk and get ahead of regulations and building codes
- Future proof your real estate asset

### Conditions Summary

Offer valid in USA, Canada & Europe for new, existing, or recently completed properties. Product covers senior debt, pace, perm financing, residential mortgages and commercial loans. (next page for more detail on terms and conditions)

ENVIRONMENTAL      SOCIAL      GOVERNANCE

A      A      A

Image courtesy of DAAL Studio

CZERO

BUILT FOR:  
NEW & EXISTING BUILDINGS  
CRE  
AGENCY  
SENIOR DEBT  
PACE  
RETROACTIVE  
RESIDENTIAL MORTGAGES

### Environmental

# 100%

- ✓ Zero carbon and energy
- ✓ Net zero water and waste
- ✓ Embodied carbon reductions
- ✓ Built envelope carbon zero balance

### Social

# 100%

- ✓ Onsite safety
- ✓ Supply chain: Materials
- ✓ Value chain: AEC
- ✓ Diversity and inclusion

### Governance

# 100%

- ✓ Physical climate risk
- ✓ Financed emissions
- ✓ Affordable housing
- ✓ Targets

The first sustainable product in the world that seamlessly addresses and values the full lifecycle of the real estate asset



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**Product Advantages**

- o Interest rate reduction up to 1.25% or 125 basis points for the loans full amortization
- o Flexible project design and commissioning with factual sustainability performance
- o Great for new and existing buildings and residences, recently completed properties, retroactive, and commercial and residential financing
- o Future proofs asset’s return on investment, reduces regulatory risk and best positions asset in the real estate marketplace

**Project Finance Covered**

- o Commercial, CRE, agency, senior debt, pace, bridge loan, perm financing, construction loan, bridge loan, conventional and residential mortgages
- o Multi-family, mixed-use, hospitality, industrial, office, modular, affordable, specialty, luxury, homes, residential development, prefab and 3d printed

**Capitalization Structure**

Total and/or combined financed amount not to exceed maximum stabilized LTV, PLTV, and LCTV with minimum DSCR of 1.10 for commercial. For new developments financed amount not to exceed 85% LTC

**Term**

Up to 25 years, subject to loan type and underwriting conditions.

**Amortization**

Fixed, New developments and new construction have a 12-36 month grace period .aligned to construction timeline

**Projected Interest Rate**

The interest rate is fixed for the term of loan

**Reduced Interest Rate**

The interest rate reduction is applied to the borrower(s) as-is interest rate that is extended through the underwriting process. The reduced interest rate is contractually bound in the loans terms through the ESG-grade sustainable building performance targets. These performance design targets are modelled and validated as part of the commissioning process.



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## **Interest Rate**

The interest rate is contractually-binding for both borrower(s) and lender(s) so long as the terms and conditions have been agreed upon as such. If ESG-Grade sustainable building performance targets are not met satisfactorily within 1 year from completion, the as-is interest can go into affect at the lender(s) discretion.

## **Fees & Costs**

Closing costs are capped at 3% of the total loan amount and can be included in the loan's closing costs

## **Prepayment**

Loan(s) payoff is allowed at anytime but prepayment fees are typical in any transaction that scale down over the life of the financing.

## **Recourse & Guaranty**

The loan(s) may include personal guarantees on a single, joint and several basis for all matters, including but not limited to: Project completion, rebalancing the project budget, completion of construction, repayment of the loan, indemnification against all ESG matters, payment of insurance(s) and any costs that could result in a lien on the collateral (taxes, property assessments, other loans etc.) and all of the loan(s) costs incurred in enforcing borrower's and/or Guarantors obligations under term sheet(s) and execution of loan documents. Personal guarantees are determined by the financial strength of the borrower(s)

## **Disbursement Schedule**

The Loan(s) is disbursed at closing.



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## Cost of Capital

Mixed Use	
162K	Gross Square Feet
\$36.5M	Senior Debt
\$15.5M	Pace Fund
\$9.9M	Equity/Assets



Development Budget	61,860,688
Lender 1A – 20 Year Term	36,000,000
Annual Interest Rate 5.24	2,911,007
Annual Interest Rate CESG 4.95	2,839,090
APR Savings Per Annum	71,917
Lender 1B-Pace Fund 25 Year Term	15,860,688
Annual Debt Service Rate 6.50	1,406,509
Annual Debt Service CESG 6.10	1,321,015
Interest Rate Savings Per Annum	85,494
CZERO ESG-Rated Product	369,360
<b>NET FINANCIAL SAVINGS</b>	<b>3,575,690</b>

Project Budget/Cost	61,860,688
Sustainable RE Added Value 2%	1,273,213
ESG-Rated Product Investment	369,360
Net Capital Gain	903,853

**ROI 44.7%**

### Disclaimer:

Czero by bank is pleased to present this product factsheet for ESG-Rated sustainable financing. This factsheet is neither a commitment nor an offer to commit to any financing by us. The loan financing contemplated herein, if any, will be subject to, inter alia, satisfactory due diligence completion, final documentation and investment committee approvals.

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