



ESG Grade
Sustainable
Real Estate



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Product ESG Factsheet

CZERO by Bank

Interest rate reductions
for esg-grade sustainable building and residences

Tackling Sustainability

We're committed to helping our customers by offering a turn-key ESG-Grade sustainable building solution for upgrades, support new construction costs and 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 investment (contact us for select lender list)

Conditions Summary

Offer valid nationally for new, existing, or recently completed properties. Product can be used with senior debt, pace, perm financing, residential mortgages and commercial loans. (next page for more detail on terms and conditions)

ENVIRONMENTAL

SOCIAL

GOVERNANCE



Image courtesy of DAAL Studio

CZERO

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

ESG AAA+

LANDUSE	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> ZERO CARBON	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> ZERO ENERGY	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> ZERO WATER	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> ZERO WASTE	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> VALUE CHAIN	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> ONSITE SAFETY	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> SUPPLY CHAIN	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> DIVERSITY	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> FINANCED EMISSIONS	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> CLIMATE RISK	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> AFFORDABLE HOUSING	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> TARGETS	<input type="checkbox"/>	<input type="checkbox"/>

CZERO WILEY INTERSCIENCE

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 Types

- 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. If part of Pace financing program, loan amount must not exceed 25% of as stabilized value of the building or residence; or such amount as approved by state program. If pace financing is used, the loan must be agreed to by senior lender(s) as a first-lien debt instrument.

Term

Up to 30 years, subject to loan type and underwriting conditions.

Amortization

Self amortizing, fixed, variable, and interest only.

Projected Interest Rate

The interest rate is fixed or variable based upon the loan term. Interest rate is determined by 10, 20, or 30 year treasury. Interest rates are floating until rate lock 15 days prior to closing.

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 3 years from completion, the as-is interest can go into affect at the lender(s) discretion.

Capitalized Interest, Fees & Costs

Capitalized interest covers interest from the closing date through repayment start which is finalized once project is fully scoped and proceeds into formal underwriting. A 27-month capitalized interest period is standard. If part of pace financing, this prepaid (capitalized) interest is funded at close to cover the period between the closing and the end of tax roll dates. Pace capitalized interest (CAP-I) is calculated from the closing date through the tax roll date. Financing fees, hard and soft costs, program fees and itemized third party costs can be capitalized in the total financed amount.

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. If part of Pace financing call protection should not exceed 2% for years 1-5 and 1% thereafter.

Recourse & Guaranty

The loan(s) are full recourse to the Guarantor(s) 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. If part of pace loan, a performance and completion guarantee is required throughout construction until the certificate of occupancy.

Disbursement Schedule

A portion of the Loan(s) are advanced at closing to fund closing costs, interest reserve(s) and other approved project costs. The remaining loan balance is disbursed in accordance to the detailed project budget and approved draw schedule by the lender(s). If part of pace loan, funds must stay at or below there pro rata share of the overall project budget throughout construction, never below 10% of the total capital invested



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Cost of Capital

Multifamily New Construction
187K Gross Square Feet
\$27M Senior Debt
\$11M Pace Fund
\$7M Equity/Bridge

CZERO
ESG
AAA+

Residential
3,800 Gross Square Feet
\$680,240 1st Mortgage
\$170,060 Equity/Assets

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AAA+

Development Budget	45,297,426
Private Bridge Equity – NA	6,794,613
Lender 1A – Pace Fund 25 Year Term	11,324,356
Annual Debt Service Rate 6.625	928,188
Annual Debt Service CESH 6.20	892,236
Interest Rate Savings Per Annum	35,952
Lender 1B – 30 Year Term	27,178,455
Annual Interest Rate 6.50	2,061,432
Annual Interest Rate CESH 6.10	1,976,400
APR Savings Per Annum	85,032
CZERO ESG-Grade Product	355,283
Client CESH Product Credit	(190,000)
NET FINANCIAL SAVINGS	3,449,760.
Project Budget/Cost	45,297,426
CZERO ESG-Grade Asset	15,854,099
Real Estate Investment	61,151,525
Product Price	355,283
Capital Gains	15,498,816
ROI	34.2%

Home Budget	850,300
Lender 1A – Mortgage 20 Year Term	680,240
Annual Interest Rate 5.125	4,536
Annual Interest Rate CESH 4.725	4,387
APR Savings Per Annum	1,788
Lender 1B-Heloc	N/A
Annual Debt Service Rate	
Annual Debt Service CESH	
Interest Rate Savings Per Annum	
CZERO ESG-Grade Product (80bps min.)	13,604
Lender Yield CESH Product Credit	(12,006)
NET FINANCIAL SAVINGS	35,760.
Project Budget/Cost	850,300
CZERO ESG-Grade Asset	255,090
Real Estate Investment	1,105,390
Product Price	13,604
Net Capital Gain	241,486
ROI	28.4%

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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