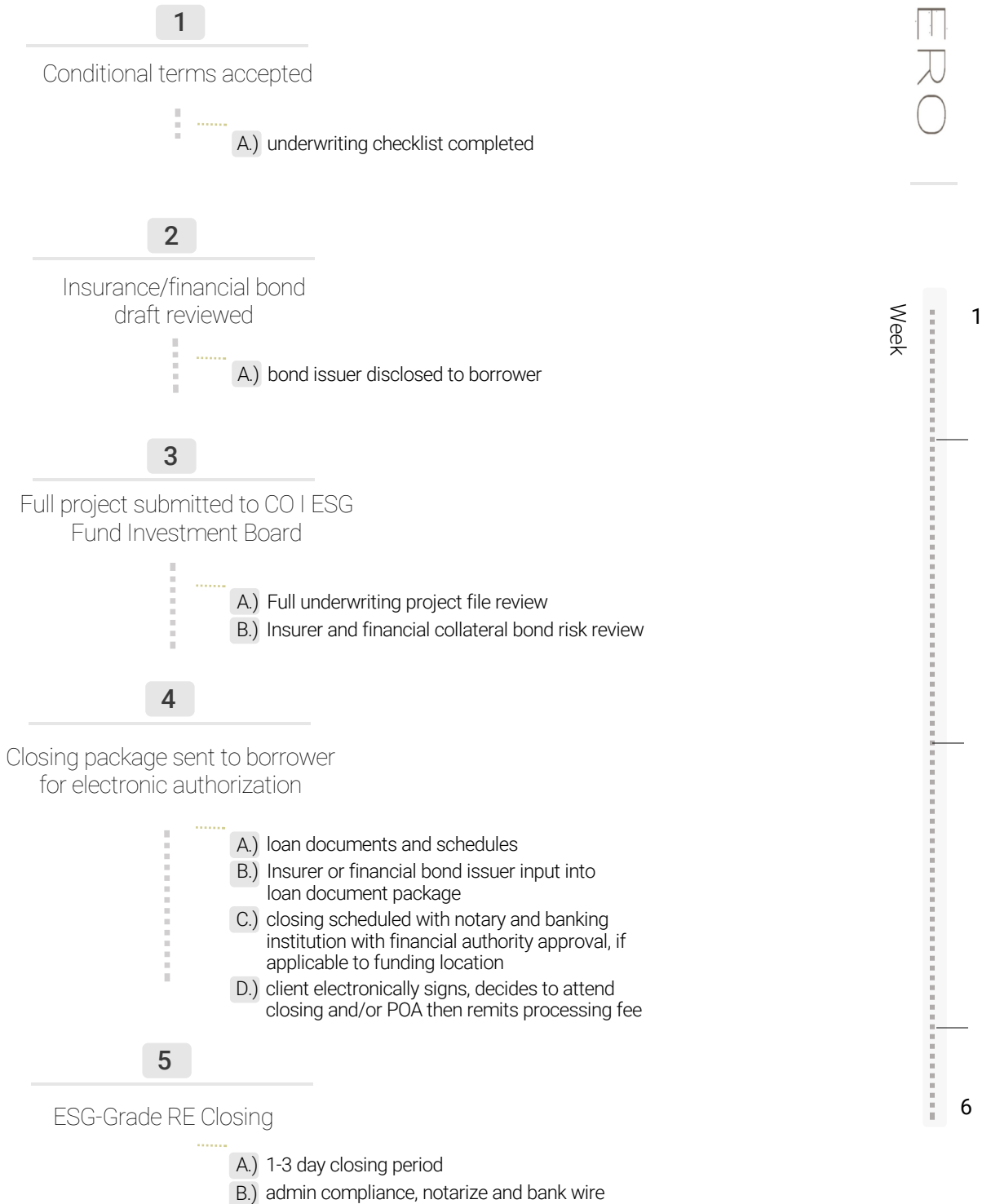


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John Parnell, Director  
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ESG Fund

Funding process timeline:



## Conditional Term Sheet

This Conditional Term Sheet is provided by CO I ESG Fund to outline the terms and conditions for the ESG-grade sustainable real estate loan request with \_\_\_\_\_ (“Lender”) for \_\_\_\_\_ (“Borrower”). It is understood that the execution of this document is a request to commence the loan underwriting process. The decision to approve the loan application can only be made by the Lender’s credit and risk departments upon completion of the internal underwriting process. The mentioned loan terms do not represent a promise to lend. The loan terms set forth in the final loan documents will coincide with these terms, and both shall be binding. The final rate is not approved until the final loan documents have been drawn. This letter supersedes any, and all prior or contemporaneous discussions, representations, offers, or statements, whether written or oral, made by the Fund Lender or the Borrower and is governed by the laws of the State of Delaware and Canton Zurich

## Loan Terms & Conditions

1. Loan Amount: \_\_\_\_\_
2. Interest Rate: 5.0% per annum, fixed for the term of the loan (inclusive the CZERO ESG-Rated Real Estate Product Discount)
3. ESG-Rated Discount: 0.75-1.25% fully amortized discount on interest rate due to product’s environmental, social and governance performance. The fully amortized interest rate reduction is appropriated in the loan’s interest rate stipulated on line two
4. Loan Term: 25 years
5. Amortization: 25 years
6. Origination Fee: 1.25% of the loan amount is due within five business days from closing; 32.5% from the origination fee is reserved for the project source referrer(s), payable within ten days from the receipt of the total origination fee on the originator’s bank account
7. ESG AAA-Rated Real Estate Product Cost: 2.39 USD per square foot, with payment schedule 40/40/20 coinciding with the signed environmental, social and governance product agreement, construction mid-point and notarization to title(s). The total ESG-rated product cost can be included in the total loan amount; the borrower must remit forty-percent thirty days from signing the ESG-rated product agreement in accordance to the payment schedule on the product offer. Eighty-percent of the forty-percent product cost that is due at signing is refunded if the borrower decides to not use the ESG-rated sustainable real estate product, uses alternative financing or if the project is not realized
8. Closing Costs: Borrower is responsible for all closing costs associated with the loan. Closing costs include but are not limited to:

## Loan Terms & Conditions

- (a) ESG-rated product
- (b) Origination
- (c) Insurance/financial bond
- (d) Appraisals
- (e) Administrative compliance
- (g) As-is environmental assessment
- (h) Underwriting processing FER fee

For items A through H, the closing costs are capped at 2.5% from the loan amount

9. Lender reserves the right to fund the Borrower's loan from any capital account in accordance with its business and ethical policy and the ESG-rated product's environmental, social and governance performance
10. Annual repayment amount: \_\_\_\_\_; Monthly repayment amount \_\_\_\_\_ if approved by underwriting, perm construct tranches will be disclosed to borrower
11. Grace Period: 12-36 months grace period prior to repayment of principle and interest of the primary loan
12. Repayment: Annual principal and interest payments based on the amortization schedule; if perm construct tranches are agreed upon by the lender to the borrower, the same repayment schedule applies to each tranche unless otherwise agreed upon
13. Prepayment Penalty: No early pre-payment penalties; the borrower may payoff the loan balance (principle and interest) of the loan at anytime with the option to secure and/or convert to another loan on the property as the project and asset stabilizes. As such, the full underwriting process would be reinstated
14. Collateral: Insurance coverage policy as collateral security (subject to favorable underwriting outcome and acceptable insurance coverage policy by the lender
15. Insurance: Borrower must maintain adequate property insurance for the term of the loan
16. Escrow: Escrow for property taxes and insurance is required
17. The total loan amount will be considered to be extended to the borrower as a perm construct loan contingent upon but not limited to:
  - (a) Entity members and/or project principles have no outstanding tax liability, are in litigation or have filed for bankruptcy
  - (b) Full construction amount guarantee with general contractor's financial statements
  - (c) Satisfactory fulfillment of the underwriting checklist and conditions precedent for funding set out in the ESG-grade loan documentation

## Loan Terms & Conditions

18. Perm Construct Features: if extended by underwriting with investment committee approval the perm construct loan features can include but are not limited to:
- (a) In lieu of the reserved total loan amount, perm construct tranches can be considered in accordance with an approved budget and construction draw process acceptable to both the Lender and the Borrower
  - (b) Repayment of principle and interest on each loan tranche
  - (c) Principle and interest payments on the loan will be payable on an actual/365 day basis, with the second, third and/or subsequent tranche of the loan payments beginning when the loan tranche is disbursed to the borrows' delegated bank account
  - (d) Principle and interest will only be payable on actual funds disbursed
  - (e) Commencement of the perm construct loan would coincide with the first tranche closing and/or notice of commencement with principle and interest
  - (f) If loan tranches are agreed upon and extended, the borrower may include the total loan's closing costs in the perm construct's primary loan tranche
  - (g) If perm construct is extended by lender and borrower elects for tranches, the grace period may only apply to the first primary tranche
  - (h) If perm construct is extended by lender, borrower may refinance the loan within the remaining term period of the original loan for a maximum 25 year amortization for an amount up to the total loan amount based upon satisfactorily meeting financial performance, underwriting criteria and investment committee approval, so long as ESG-grade sustainable building real estate funds are available at the time of refinancing
  - (i) At the time of refinance the borrower can expect the same ESG-rated sustainable building and real estate product benefits including but not limited to prime, reduced interest, lower capital costs and mitigated risk provided by CO's ESG-rated product
19. Additional Conditions:
- (a) Approval of loan subject to satisfactory completion of underwriting, including but not limited to valuation, financial statements, credit review, income verification, property appraisal, legal structure and title search
  - (b) Borrower must provide all necessary documentation as requested by the Lender

## Loan Terms & Conditions

### 19. Additional Conditions:

- (c) Upon full submittal and positive underwriting outcome a loan closing package will be extended to the borrower for review
- (d) Recourse and non-recourse guarantees and the obligations as such are considered with project owners on a project-by-project basis; contingent upon underwriting's satisfactory approval of all financials
- (e) Compliance with all local, state, and federal regulations
- (f) The conditional terms and financing contemplated herein, whether in part or full is valid for sixty days
- (g) ESG-grade sustainable real estate closings must be in person, notarized and transacted by the Fund's delegated banking institution
- (h) The insurance/financial bond is issued after the legally-binding loan package is notarized by all parties to the agreement
- (i) This solution is made possible by CZERO's ESG Fund

## Conditional Terms

### Execution

By executing this Conditional Term Sheet, the Borrower acknowledges understanding and acceptance of the terms and conditions outlined herein and requests CO I ESG Fund to commence the sustainable loan's underwriting.

Borrower: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

CO ESG Fund: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Underwriting checklist:**

- Receipt** of ESG-Grade Sustainable Real Estate Performance Targets
- Financial Statements:** if corporate, corporate financial statements; if business, entity's financial statements; if personal, personal financial statement; if private providing both will expedite the loan admin process
- Tax Returns:**, if business, entity's previous two years tax return; if personal, private or combination of the two providing both statements will expedite the loan admin process
- Legal Address:**, if business, proof of business' address and/or residential address
- Identity:** copy of valid government-issued ID
- Signed:** conditional terms and conditions
- Duly Authorized:** CZERO ESG-Rated Sustainable Real Estate Product Agreement
- Application Form:** Lenders formal financing intake form
- Project Owner:** Sponsors project overview and cap stacks, resume and/or business plan



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ESG Fund