

Mechanics of originating a pooling product

The functionalities of Origination Tool in Apex Origin can be best understood by using a Project as an example:

A user of Estater, the retail layer app, part of the NAFRAM ecosystem, posts a property for sale, for example, an apartment for US\$ 215,000 in the urban residential area of Chicago – typically, this is a homeowner looking to find quickly a suitable offer (as opposed to the slow process of a traditional sale on the local market).

The listing automatically appears in the Opportunity Bank of Apex Origin. An Originator identifies the registration and contacts the homeowner on Estater (either directly or through a certified agent), providing an indicative offer, subject to an exclusivity period for structuring a Project and therefore confirming a binding offer.

If the homeowner says yes to the non-binding offer, the property is blocked and the exclusivity period starts.

The Originator is not interested of course in a single property deal. He plans to bring together 200+ properties in a single investment proposal, based on a unified, homogenous profile.

During the exclusivity period, the Originator uses Apex Origin as follows:

- leverages the resources in the Commercial Area to:
 - Perform due-diligence, including:
 - Fact checking (property is actually located at address, identity of owner, KYC, fraud prevention etc);
 - Property Title checking.
 - Structure the Project from a real estate perspective and incorporate the Property Vehicle;

using suppliers certified by NAFRAM.

- uses the Origination Tool to structure an IPRO for the Project, which includes all 200+ properties identified in a single, unified ticket. The Originator is usually advised in this respect by an investment bank and other primary financing providers which are selected as Original Investors from the Commercial Area.

Once a proforma prospectus is agreed with the Original Investors, the process follow all the stages of an IPRO (same stages and procedure as a traditional IPO) and as soon as the IPRO is closed, the Originator provides the binding offer to the home owner (and all the other 200+ homeowners selected for the offering), binding offers are signed, the Fractional Rights Agreement is signed with the Original Investors, the funds are released, and the property title to the relevant real estate is transferred to the Property Vehicle.

Once the primary offering is finalized, the issue, certified by NAFRAM (and by the US-SEC, as applicable) is listed for trading on the secondary market hosted by NAFRAM. The issue will immediately thereafter appear as tradeable on Estater.