**Project Financing Guidelines & Requirements**

To be successful in securing financing, you need to be ready to answer the questions potential funders are going to ask. Here’s what you need to be ready for:

1. First, please read *Initial Steps in Working Together*.
2. Please review the “Initial Project Materials That Need to be Available to a Funder on Request” and “Project Materials That Need to be Available for Due Diligence and Underwriting”and let us know if you have questions about any of the information requested.
3. While funders can be approached with an executive summary, business plan and financial model, once they show interest and become serious about considering an investment in a project, they will require detailed documentation.

The key pieces of documentation that are needed to initiate discussions and to proceed with due diligence and underwriting are listed in “Initial Project Materials That Need to be Available to a Funder on Request” and “Project Materials That Need to be Available for Due Diligence and Underwriting,” You need to be prepared to provide this documentation on request. If you do not already have some of the documentation listed, please let us know immediately. Clients who do not have these documents ready often underestimate how long it will take to put them together, then take three or four weeks – or longer – to prepare these documents, while losing credibility and causing funders to pass.

We will not be able to begin approaching funders until we have “Initial Project Materials That Need to be Available to a Funder on Request” in hand and ready to deliver.

1. We also need to know that the “Project Materials That Need to be Available for Due Diligence and Underwriting, are already completed and available or can be completed in a timely way and made available to an interested funder within 30 days of the date that we agree to work with in you securing funding.

It is your responsibility to have these materials available when they are requested by a funder. This request will not come until the funder is ready to make a conditional commitment to fund your project and to begin due diligence.

1. We do not charge an upfront fee for projects that are ready to fund – i.e., are shovel-ready and have all the documentation that will be requested by a funder ready to deliver. We only charge a success fee upon financial closing. However, this assumes that you have all project documents ready to go and ready to deliver to a funder on request.

If you do not have all of the necessary materials available and need assistance in preparing them, we can assist you on a separate fee-for-services basis. We will be happy to discuss this with you.

1. Please understand that our funding efforts are primarily focused on shovel-ready or almost-shovel-ready projects; the funders we work with closely also are interested primarily in shovel-ready or almost-shovel-ready projects. Moreover, they expect that you have sufficient equity or collateral to secure debt financing.

Projects are much more difficult to fund that:

* Have little or no equity and require 100% financing,
* Do not have sufficient collateral to secure a loan (for bridge loans, collateral generally will have to have a 2:1 value to the loan request),
* Require an initial infusion of pre-construction funding with groundbreaking and general project funding more than 12 months off, or
* Represent demonstration projects, new untried technologies or startup funding.

We have contact with fewer funders who will consider these types of projects and it takes us much longer and a lot more work to secure funding for these types of projects. For these reasons, we charge an initial $5,000 fee to take on these types of project to compensate us for the additional time required to seek out prospective funders and secure funding.

1. From the time we first begin working with you, it will take about 2-3 weeks before we start approaching funders on your behalf. We need this time in order to:

* Review and expand on the information you have provided in the *Corporate Entity Information* and *Financing Request Summary Templates*,
* Review the “Initial Project Materials That Need to be Available to a Funder on Request” so we can familiarize ourselves with your project sufficient to discuss it intelligently with funders during initial phone and email contacts,
* Ensure the project materials are complete and ready to present, and
* Suggest places where these project materials can be improved, if necessary, by filling in gaps, expanding on key points, etc.

1. Once we have finished this review and ensured all initial documents are ready to present, we will begin contacting funders on your behalf. We will give you weekly reports, generally each Friday (sometimes a day later) on the activities that have been undertaken to secure funding for your project and the status of these inquiries.
2. If we secure initial interest from a funder, we will be in immediate contact with you.
3. Generally, a funder will ask some initial questions to determine if he wishes to pursue your project. We will email you these questions/requests.
4. It is critical that you respond to these questions/requests within 24 hours or the next business day by providing the answers/information you can and explaining when you can provide the balance of the requested responses/information.
5. It also is critical that you be ready to provide all requested documentation within 5 business days or less of the request.
6. The funders we work with have a lot of deals to choose from. They have a short attention span when reviewing new deals. They do not have patience for delays; they see delays, gaps in basic project information and documents that cannot be delivered in a timely way as signs that a project is not ready to go.
7. If a funder requests documents and can receive them immediately or within a week of their request, momentum can be maintained.  However, if the request drags on unanswered or without delivery of requested documents for a second week, interest will wane and questions about a borrower’s preparedness and responsiveness will crop up. If requested documents are not delivered for three weeks, interest will very likely evaporate and discussions may be very difficult if not impossible to restart again.
8. You also need to be prepared to satisfy funder requests to place funds on deposit and to make payments in advance, once a letter of interest, engagement letter, term sheet or conditional commitment to fund your project has been issued. Funders need to be able to verify that everything stated in your documents about your project checks out. They will do this during a due diligence period.

You will need to pay all costs related to due diligence; no funder will advance funds or incur costs on a project until all key facts related to the project have been independently verified.

There is no sense in going forward with seeking funding unless you already have funds available to pay these costs or can make funds available when requested to do so.

These fees will include payments to cover the costs of:

* appraisals,
* environmental studies,
* travel to make site visits,
* legal fees, and
* document preparation.

Some projects also may require:

* review by an independent engineer,
* a feasibility study, or
* a financial audit.

The funder will specify which fees need to be paid in advance and will request a deposit to cover these fees upon issuing a letter of interest, term sheet or conditional commitment to fund your project. Unused fees generally will be refunded should the deal not go through.

1. Please let us know which other funders you have approached so we do not inadvertently approach them as well. Also, please let us know immediately if you have another funder show interest and begin working with you.

While it is okay to contact multiple funders in an effort to spark interest in funding your project, once a funder comes forward and begins requesting information and taking an interest in exploring funding, we need to be sure that all other funding efforts are put on hold until the funder expressing interest either moves forward and takes the deal to closing, or declines the project. We do not shop projects and we do not play one funder off against another. The funding community is a small closely-knit world and word quickly gets around about deal shoppers. That’s a surefire way to lose credibility, get a bad reputation and undermine your ability and our ability to secure future funding.

The first funder who expresses interest is the one who will be given the opportunity to move through the funding process with you.

1. We need to know at the onset, before we begin working with you, that you understand each of the points from 1 through 16 above, are willing to abide by them, and are prepared to respond to questions, have the necessary documents ready to deliver, can deliver them in a timely way and are ready to make the necessary funds available to pay for due diligence.
2. We can help you only if you are completely prepared to seek funding, are willing to give it your priority attention and can respond to every request in a timely way. The more prepared you are, the easier it will be to secure funding for you.

We hope these guidelines will be helpful in preparing to work with us to secure funding for your project.