

STRUCTURED FINANCE PROGRAM

The purpose of the Structured Finance Program is to provide 100% collateral backed funding for development projects both domestically and internationally. Project requirements are as follows:

- Minimum funding of \$100M
- No funding maximums
- All projects backed by Bank Guarantee
- Program facilitator MUST be able to communicate DIRECTLY with borrower
- \$25K retainer will be required once Preliminary Due Diligence and Project Detail Summary Questionnaire have been fully reviewed. (No Exceptions) (Retainer fee is fully credited to fees upon funding)
- No other upfront fees, application fees or down payment required. -Total up front / out of pocket cash investment = \$25,000USD
- Minimum 12 - 24 month draw down required – 36 – 48 month draw down preferred. (no repayment during draw down – no accrued interest during draw down).

DEBT SERVICE:

- 7 - 10 year payback (additional 1-2 year moratorium negotiable)
- 7 ¾ ap % interest rate
- NO prepayment penalty
- 20 - 40% equity share (% negotiable based on per project basis).
- Short term capital addressed separately from securing Bank Guarantee

There are two simultaneously working steps required to ensure the success of the Structured Finance Program.

The first is **securing the Bank Guarantee Letter (BG)** which provides 100% collateral for project and ensures funding. BGs are issued by HSBC (London) or Deutsche Bank for the term of one year.

The second (again, simultaneously) is **securing short term capital**. The short term capital provides 100% of the funding for the project. However, alternative to traditional financing where the debt service begins after funding, as the short term capital is being secured by the BG, the short term capital is only in place for one year – at which time the capital provider redeems the BG, is made whole and draw

down and debt service are assigned to Fidelity International Investments (the collateral provider) for asset management. There are no additional fees. Drawdown continues uninterrupted and debt service (ranging from 7 – 10 years) will begin after draw down is complete.

If you have a funding source which will, with the provisions set forth with the BG provide capital for your program, short term capital fee references in this document do not apply. If you are in need of short term capital, we have in place funding relationships that will meet this requirement for funding.

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The process (securing collateral and short term capital) will be discussed in depth during project discussions.

Process Overview Follows:

[Executive Summary submitted to Quentelle Barton for initial review.](#)

I will act as initial project facilitator until such time that Client engages RECM.

Conference call (or face to face) scheduled with Client to understand overview of project and background of developer. The Structured Finance Program will also be discussed and it's potential application to the project in review.

When both parties are desirous to move forward, Client will complete – in full, the Preliminary Due Diligence and Project Development Summary Questionnaire and provide all supporting documentation for review.

When project is deemed viable, RECM will issue Engagement Agreement for execution and return by the Client. At this time the \$25,000 retainer will be due and payable via wire transfer. It should be noted that Engagement Agreement will not be issued unless RECM is confident that collateral (bank guarantee letter) and short term capital will be secured. Engagement Agreement denotes RECM's responsibility for all application and structuring fees. Client will NOT be asked for any additional upfront fees or security. Retainer fee will be credited against funding fees upon project funding.

RECM's Role:

RECM is a boutique investment firm headquartered in California. RECM facilitates the Structured Finance Program; underwriting the project, PPM and investment book creation as well as auditing financials. Additionally, RECM will also, if requested, provide the short term capital required for project.

RECM's fees include 7% of funding amount secured and 5% equity in the completed project.

The 7% is due and payable upon initial funding disbursement and will be paid from

escrow. Upon Engagement, all future correspondence and communication will transpire directly between Client and RECM.

Subsequent to receipt of Letter of Engagement and Retainer fee an initial conference call is scheduled directly with the Client to further complete underwriting and set forth schedule for project.

Funding Commitment and Terms issued to Borrower/Client – executed by FII and RECM.

Client will execute and return Funding Commitment and Terms.

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RECM will, on behalf of the project, secure collateral instrument (BG). Instruments are issued by Fidelity International Investments in the name of the borrower. Instruments are issued by either HSBC (London) or Deutsche Bank. The collateral is being secured for the full funding amount of the project. The fee for securing the 100% backed collateral piece is inclusive in RECM's fee as disclosed above. There are NO additional upfront fees for securing collateral on behalf of Client.

Once (BG) has been secured, Irrevocable Commitment to fund will be secured by short term capital partners.

Collateral (BG) can be married with Clients capital provider.

When application, RECM will secure short term capital for the project. The exact terms of the funding will be negotiated after engagement. However, Client can prepare for standard capital funding costs. No upfront application or other fees are required in securing short term capital for projects.

Standard fees for short term (1yr) capital provider will include Origination Fee (not more than 5.5%) and Interest / Discount Fee (not more than 5%). Short term capital partner customarily requires 5% equity share in completed project. When RECM provides short term credit facility and considering the term of the short term capital is for one year, all fees are deducted from funding.

Short term credit facility will be taken out / made whole at one year when (BG) is redeemed by credit facility.

With BG and ICF in place. BG will be posted on EuroClear and funding will populate project escrow. All funds will be held in escrow for 30 days before initial disbursement.

Initial disbursement from escrow – on or about day 31 – will include all fees as set forth in Engagement, Funding Commitment and Terms and final executed contracts. All disbursements from escrow will be in coincidence with submitted draw down schedule for project.

A 12 (minimum) – 48 month draw down is required for all projects. Repayment does not begin until the draw down has been fully realized providing a natural repayment moratorium of up to 48 months.

An additional one to two year repayment moratorium can be negotiated based on project parameters.

Interest does not begin accruing or repayment required until draw down has been fully realized.

Debt Service:

(as indicated above)

- - 7 – 10 year payback (additional 1 – 2 year moratorium negotiable).
- - 7 ¾ cap% interest rate – NO prepayment penalty.
- - 20 – 40% equity share (% negotiable based on per project basis).

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NOTE:

Program is structured to allow project principles to recoup personal investment previously made (and documented) throughout duration of draw down without forfeiting equity previously acquired.

No Personal Guarantees, additional or starting equity are required for viable projects.

Program will NOT consider projects submitted by first time developers.

We, not unlike the rest of the world, are operating under quota maximums for funding projects. We have submitted and cleared close to \$3B in projects already this year. If the above terms seem amenable to you / your Client I'd like to begin the process of explaining the program and answering questions so that we can move forward in a professional and expeditious manner toward securing funding for your project.

FIRST:

The [Preliminary Due Diligence and Project Development Summary Questionnaire](#) form has to be completely filled out.