Project/Bridge Financing Program

Overview

Our Project/Bridge Financing Program provides up to 100% financing for projects requiring loans of 1-3 years. We are unique in that we provide financing backed by a financial guarantee such as a standby letter of credit (SBLC) or bank guarantee (BG). In many cases, clients who provide an SBLC to their bank rather than physical assets, such as real estate, are able to receive faster loan approval while qualifying for a larger loan amount.

Program Requirements

Our minimum loan amount is $5 million, with a maximum of $100 million. We will consider commercially viable projects in virtually any geographic area including North and South America, Caribbean, Western/Eastern Europe, Australia/New Zealand, Southeast Asian (ASEAN) countries, China, India, Africa and the Middle East. The loan proceeds can be used for equity, investor buy-outs, down payments, refinancing, etc.

How the Program Works

The process begins by the client securing a funding commitment from their bank. Our program is best suited for clients whose funding needs are less than the loan amount for which they qualify. Oftentimes, banks will approve an increased loan amount if the loan is to be secured by an SBLC rather than project assets. If the client were to default, the bank would simply draw on the SBLC and the loan would be repaid within seven banking days. We have thus replaced the client's risk assets with our own.

To mitigate our risk, we require the client to provide us with a 50% loan loss reserve (LLR) at closing. However, the client would only be responsible for repaying 50% of the loan at maturity—we would be responsible for the remaining 50% from the LLR. We also typically require a 10%-20% equity interest in the project, which would double in the event of client default. It is important to emphasize that throughout the loan period our SBLC is the only asset at risk, not the client's loan or the client's capital.

Funding Example

Let's say that a client has a $10 million alternative energy project and has obtained a $20 million funding commitment, if secured by an SBLC. Assuming the bank is willing to loan 90% LTV against the SBLC, we would issue a $22.5 million SBLC, and the bank would provide a $20 million loan that would be disbursed as follows:

- $10 million to the client (thus providing 100% financing);
- $10 million to Gideon to be held as the loan loss reserve;
- Gideon would receive a 10% - 20% equity interest in the project;
- At maturity, the client would repay $10 million; Gideon would repay the remaining $10 million;
- If the client were to default, the SBLC would be called by the lender for repayment and Gideon's equity interest would increase to 20% - 40%;
- At no point are the client's funds at risk—only our SBLC—hence the equity requirement.

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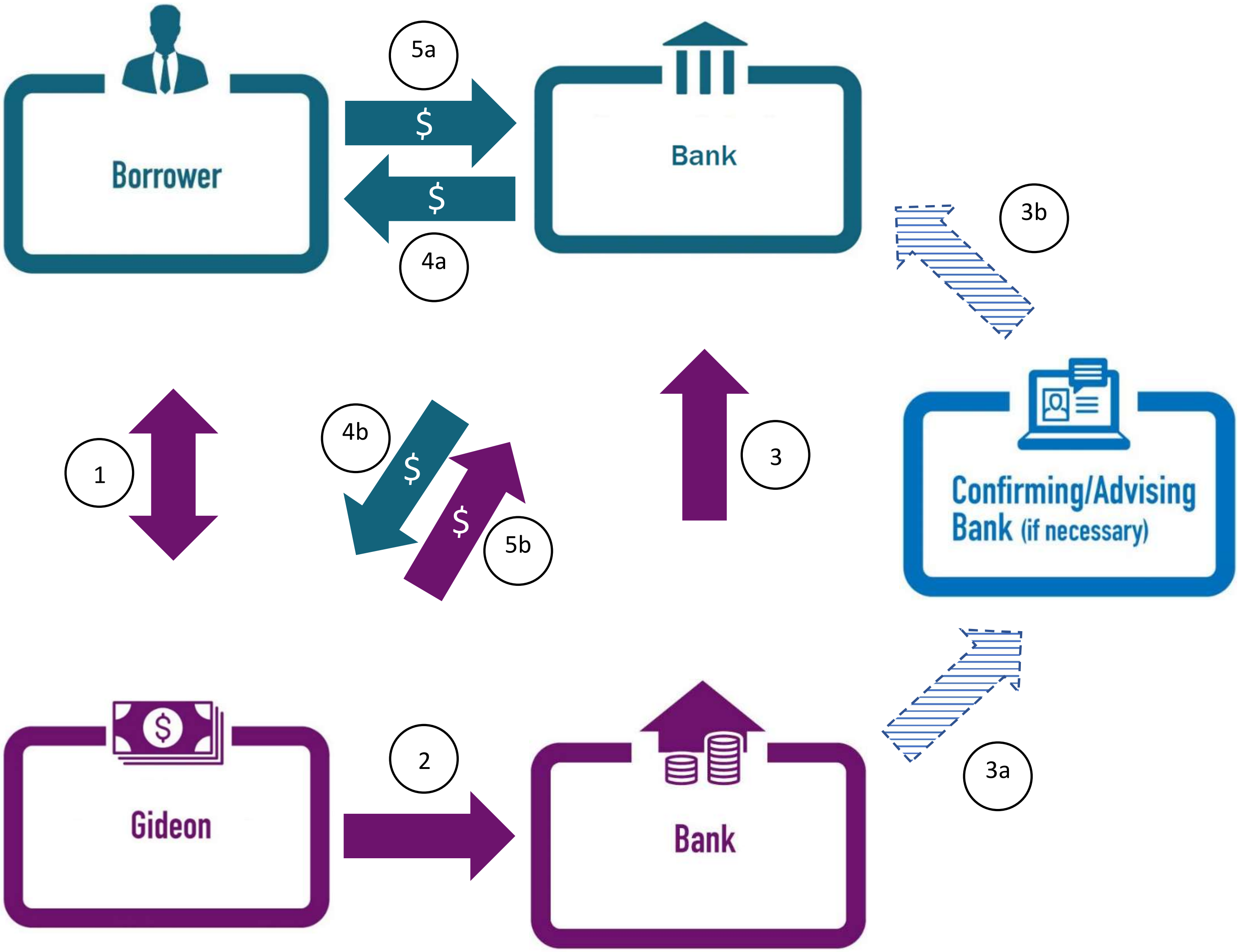

PROCEDURES

1. Gideon and Borrower sign agreements
2. Gideon instructs its bank to issue the SBLC
3. Gideon's bank issues the SBLC to Borrower's bank
   a. If necessary, SBLC confirmed by a confirming/advising bank
   b. SBLC confirmation sent to Borrower's bank
4. Disbursements
   a. Borrower loan disbursement
   b. Gideon loan loss reserve
5. Loan Repayment
   a. Borrower repays 50% of the loan at maturity.
   b. Gideon repays the remaining 50% of the loan at maturity.

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