STAGE OF FINANCING	FINANCING ACTIVITY	STAGE OF BLDG RETROFIT DEVELOPMENT	ENGINEERING ACTIVITY	INVESTOR CONFIDENCE PROJECT REQUIREMENT
1. Pre-financing	Preparation and assembly of financials, corporate documents and background materials for acquisition or refinancing of a building. Preparation of preferred terms.	**Benchmarking**	Gathering of energy usage data and basic building system information. Benchmarking of property against comparable buildings to determine potential for/depth of efficiency improvements.	Baselining/ benchmarking to ICP standard.
2. Preliminary Due Diligence and Term sheet	Identification of one or more interested lenders and securing of term sheets. Lender evaluates host credit, investment structure and economics of the project to determine if it will offer a term sheet.	**Preliminary Energy Assessment**	Engineer performs first part of a multi-stage assessment (increasing in depth as need for cost and savings precision grows). Study includes preliminary end use analysis, potential energy conservation measures and rough savings estimates.	Methods and documentation requirements to ICP standard.
3. Underwriting	After term sheet is signed, lender performs extensive due diligence on the ownership, the asset, historical financial performance, etc. Financial model built and refined. Lender requires full Physical Needs Assessment (PNA). Costs of building improvements sought by owner (or required by lender) built into underwriting model.	**Energy Assessment**	More intensive energy analyses refine energy conservation measures, add rigor to savings estimates. Depending upon the size of the potential project, a full building energy model may be built and calibrated. Preliminary design and cost estimates inform budget for construction. (This stage may include full design and bidding as described below).	Savings calculation procedures and methods, documentation requirements to ICP standard.
4. Loan Doc Negotiation and Closing	Owner and lender negotiate final loan documents based upon underwriting. Loan is executed. *(Loan signing may await complete design and bidding OR the loan may make design and firm contracts conditions precedent to draws on the loan.*)	**Design Development and Budgeting OR Full Design/ Bidding**	Owner (and lender) determine what level of specificity is required for decision-making as to energy conservation measures to be implemented. General designs with not-to-exceed budget ranges may be sufficient. Before or immediately after loan closing, design engineers create specifications and owner bids them out (or a design-build contractor creates the specs and provides pricing). Developer confirms project costs are in line with a financeable project under terms agreed with lender.	
5. Loan Administration / Loan Drawdowns	Owner documents compliance with conditions precedent. Bank inspector may visit the site. A loan officer receives documentation and confirms that the conditions precedent to a draw down are met, remits loan funds at required trigger events.	**Construction of Retrofits**	Contractors build the project. Engineer inspects work. A lender's draws may be contingent on things like: demo complete, permits pulled, 30% construction, etc.	Compliance with Design, Construction & Verification in ICP standards should be condition precedent to first draw of loan.
6. Final Inspection	Bank inspector makes sure all of the items that the bank agreed would be installed under the loan are complete according to specifications in bid docs.	**Commissioning**	Engineer tests and confirms systems are installed and running as they were designed to do in the specifications.	Operations, Maintenance & Monitoring Plan from ICP should be condition precedent to last draw of loan.
7. Servicing	Loan servicer makes sure checks are received, insurance is in place, debt service coverage is adequate, debt service reserve is sufficient.	**M&V/Ongoing Commissioning**	Engineer evaluates data, reports savings, looks at anomalies and recalibrates systems per OM&M plan and M&V plan. Maintaining low operating costs through efficiency becomes a criterion for the health of the asset, just like debt service coverage.	Delivery of M&V reports should be a condition to avoid higher debt service coverage requirement, a higher reserve or acceleration.