



Global 4X Loan General Terms & Conditions

Interest:

- US 12 month LIBOR + 2 (200 basis points) or 3.5%, whichever is higher at closing.
- Interest only structure with interest due quarterly and must be kept up to date.
- Interest payments can be budgeted into the project and made from the credit facility.
- Interest is charged on disbursed funds only. Loan funds remaining in the credit facility (undistributed) are not subject to interest charges.
- There is a reduced "Sovereign Rate" available to government borrowers.

Term:

- The standard loan term is 48 months from first disbursement and can be extended in 12 month increments as long as the project is in good standing.
- Loan must be open for a minimum of 12 months.
- There are no prepayment penalties.

Deposit:

- Deposit must be cash representing either 20% or 25% of the project budget. Funds be sourced via an investor or another lender and in this case a 25% deposit should be used.
- The minimum deposit amount is \$1M USD and the loan is always four times the deposit amount.
- Acceptable deposit currencies are: USD, EURO, GBP, Dubai Dirham, Indian Rupees.
- There lender will not put a lien on your deposit funds and they are NOT collateral for the loan.
- Borrower's will sign a DEPOSIT AGREEMENT which stipulates that the Borrower's Initial Funds cannot be depleted or encumbered, and must remain on deposit for the 12-month term.
- The preferred method for safekeeping your deposit is with an established US Investment Bank who our lending group has pre-cleared with the Compliance Board. Your funds will be held in **your own designated account at the US Federal Reserve Bank**. This account is 100% insured (dollar for dollar). You'll be contacted by the Banker to handle the setting up of your account when the loan deal reaches that point in the process.
- The lending group is required to escrow their loan funds with their insurer upon the signing of the Deposit Agreement.
- **The wiring of the deposit funds must be within 3-5 business days of signing the Deposit Agreement**, and a copy of the Wire Confirmation should be forwarded to the lending group.
- Deposits are required to be positioned on account for 12 months, as outlined in the Deposit Agreement.
- For large projects it may be possible to use an SBLC for the initial deposit funds - please contact us for more information about this option.

Collateral / Security For the Loan

- This is a non-recourse loan, meaning no personal or corporate guarantees. The loan is secured against the project the loan is being used to finance. No further collateral is required.

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Page 1 of 3 - 7.21 v10



Global 4X Loan General Terms & Conditions

Timing, Disbursement of Funds and Payment of Fees:

- Upon initiating the application process, the time required to complete a standard deal and begin disbursing funds is approximately 90 – 120 days from first introduction through to the end of full compliance.
- At the point that the Compliance Officer and Closing Agent are brought into the process and the Deposit Agreement is executed, the lender is required to immediately escrow their loan funds into safekeeping with their insurer. Until the loan closes, these funds will be sitting idle, so please be very clear about all process steps before proceeding, as they will not leave their funds idle for very long.
- The borrower is required to wire estimated legal closing costs in the amount of \$25,000 to the Law Firm's IOLTA account as a deposit for their preparation of the final loan agreement.
- Once all funds are assembled the loan package is submitted to the Central Bank Compliance Review Board for approval. This is a 60 day compliance period.
- A typical draw schedule sees the entire credit facility released over 10 months. Draws are paid monthly according to the approved draw schedule. Typically the first draw is the smallest, with each subsequent draw increasing in size until the full loan has been pushed out in 10 months.
- The first draw is released the day after the loan clears compliance. The next draw is a month and a day later, so the first two draws are received within the first 31 days after clearing compliance. So timing of funds is dependent on when (in the month) the loan clears compliance. As an example: if the loan clears compliance 22 May, then the first draw is released 23 May and the second draw would be available 01 June.
- If a "balloon" is required from the draw schedule, it is possible to start early and "stockpile" a few disbursements, and then take a larger "balloon" sum.
- Lending Fees and Finder's Fees are paid out of loan proceeds at the first draw.

Repayment Options:

The borrower gets to choose the repayment option before the end of the loan term. They can choose from these four options:

- (i) Balloon payment
- (ii) Convert to permanent financing with either short or long term mortgage, which the Lender can assume
- (iii) Borrower can offer a structured repayment plan
- (iv) Equity, or Debt-Equity hybrid model
- (v) If at the end of the term you are not yet prepared to repay the loan, you can extend the term for an additional 12 months

Option to Exit the Loan:

All loans include an "Exit Option" and it can be executed at any time. No matter what portion of the loan has been spent into the project, the borrower can abandon it, even if all of the loan has been spent into it and none of the loan loss reserve has, this option is available to you.

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Page 2 of 3 - 7.21 v10



Global 4X Loan General Terms & Conditions

If the borrower's initial deposit funds are still positioned as the "loan loss reserve" they can be withdrawn from the account. However 60 days advance notice to exercise the exit option is required. In this situation the borrower will completely forfeit the project if they exit.

Lender's Fees and Costs:

- The **Lending Fee** is 3% of the borrowed amount and is paid directly from the credit facility. Any negotiation of this fee is only possible at review and signing of the term sheet and not before.
- The **Custodian's Fee** is a small monthly from the time the fund starts until the loan is repaid in full. This is fully outlined in the Term Sheet.
 - The Custodian will oversee the loan disbursements, as well as ensure that the spending matches the drawdown schedule that the borrower has provided and that the project stays on track. This is a requirement of the Lender's Insurer. The insurer assigns an independent 3rd party Custodian who provides oversight on a monthly basis.
 - The assigned custodian is PWC and the \$5,000 fee is invoiced by them monthly.
- The **Legal/Closing Fees** as with any loan, the closing costs are the responsibility of the Borrower. This cost will never exceed 1% of the loan amount, with the high end (1%) only occurring in very complex transactions where appraisals may need to be ordered, multi-jurisdictions, and multiple lawyers becoming involved. In all cases, itemized closing costs will be provided to the borrower and the borrower is required to escrow \$25,000 USD into the lawyer's IOLTA Account as a deposit for closing costs prior to having the loan agreement developed. Actual itemized costs are settled at closing.

Note on Costs:

During the loan setup process, the Lending Group incurs costs for project assessment and due diligence through Price Waterhouse, and begins to incur legal costs from the point of their Insurance underwriting and the issuance of the Term Sheet. All of these front-end costs are fully borne by them; however, once the Borrower signs the Deposit Agreement and is ready to begin the SafeKeeping/Compliance process, they will ask the borrower to verify in an email their readiness to proceed with having the Loan Agreement developed. Following this confirmation, the Borrower will automatically become responsible for the associated legal/closing expenses from that point forward.

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- Standard Engagement Fee is \$5,000 which is due after your LOI has been accepted and prior to you receiving the full loan application intake package. Per the Finder's and Financial Agreement, this fee is considered earned income and is only refundable out of the Finder's Fee at closing.
- Finder's Fee is not more than 3% of loan amount; paid out of first draw, less the engagement fee.
- NOTE: Our Mutual Non-Circumvention and Non-Disclosure Agreement (NC/NDA) and Finder's & Financial Agreement both need to be executed at the outset of the process.

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Page 3 of 3 - 7.21 v10