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| **This is ONLY an Illustration of the** ***Two* Loan Project Collateralization Process**1. $100,000,000 (for purpose of this discussion only) in Cash is wired by our Cash Provider into an ‘A’ rated (or higher) financial institution [**the Bank**]. These funds are brought into its depository escrow via the international banking wire system i.e. S.W.I.F.T, thereby insuring they are Legal, Clean and Cleared funds (i.e., by transfer between highly rated banks – bank to bank).
2. This $100 million in Cash is used to purchase from **the Bank** a Specially Structured $100 million 10 year CD; or any other available Bank Note, with an annual coupon rate of 7.2%

This "CD" will have two separate parts: 1. The principal only part (P.O.) or (corpus), and
2. The interest only part (I.O.) or (coupons).

Both parts are legally negotiable and assignable. This is what makes this "CD" different from the typical market driven "CD". 1. **Loan 1** is then created in the amount of 100% of the CD value at an annual interest rate of 5.4%
2. **Loan 2** is then created in the amount of 14% of the CD value at an annual interest rate of 5.4% (total loan value is then 114% of the $100 million CD value, which in this case would be $114,000,000).
3. Cash Provider immediately receives 50% of loan 1 proceeds.
4. **The Bank** immediately receives 10 years of **loan 1** prepaid interest equaling (54%). These proceeds coming from the balance of **loan 1** and the remaining amount from **loan 2**. This has the effect of exhausting loan one and leaving a balance of $10,000,000 of **loan 2** still available for the companies use.
5. **The Bank** pays 52% of the CD value to Cash Provider (which equates to a partial payment of 5.2% interest coupon over 10 years on the $100 million CD). This leaves 2% (or $2,000,000) of the 10 year CD coupon payment still to be paid to Cash Provider. Using these percentages, **The Banks** net cash position at time zero is 2% of the $100 million CD coupon value or $2,000,000. **Loan 1** interest is satisfied, and the principle of **loan 1** is secured by the CD at time 0. At time 0, what remains is **loan 2**, which is secured over time by the 2% balance owed by the bank of the $100 million CD interest coupon value for 10 years or $2 million.
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| **Advantages** |

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| **To a $100 Million Project (for example):*** Fast Closing. Normally the negotiations between the bank and The Fund Provider to reach the comfort level of the bank, by modifying some of the terms and/or the final figures, takes 2-3 days and the closing is usually achieved on the 4th day.
* **Borrower will not have to service any debt. Borrower will not have to pay back either the principal or the interest on the loan, ever.**
* The project will be debt free for both principle and interest.
* Borrower will have full control of a $100MM loan.

**To The Lending Bank*** No Currency risk.
* The lending bank gets the interest on the US$100MM loan paid in full, upfront, at closing.
* The bank makes 2 loans, fully collateralized, without any risk whatsoever:  The $100MM principle loan is collateralized with a cash instrument, and the interest on the $100MM principle loan is collateralized with the bank’s own paper. There is just no better security to offer a bank than its own paper.
* The bank has full use of Cash Providers $100MM collateral for 10 years, to do with it as they wish.
* The bank is in an absolute “NO LOSE” position.
* The bank is adding the $100MM to their investment portfolio.
* The bank does not have to rely on the success of the project to service the debt or interest because their financial position has been fully collateralized.
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| **FUNDING PROCEDURE** |

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| **1) FIRST:** Present your project’s Executive Summary and/or Business Plan to your bank or a bank of your choice. **2)** **SECOND**: Ask the banker to review it and see if a loan can be arranged for your project. **3)** **THIRD:** If the bank rejects your loan application; for whatever reason, ask the banker the following question:  **“Would you consider arranging the loan for my project if I provide 100% CASH collateral to the bank for this transaction?”****4)** **FOURTH:** If the banker indicates that he would be interested, advise the banker that a presentation will be provided to him, for his consideration and final approval. **5)**   We will ~~prepare you to~~ explain this program in detail ~~and perform your own presentation~~ to the banker with all necessary facts, figures and the ‘cash’ mechanism. **~~6)~~**~~Following step "5" above, you may explain to the banker the program or you can have us make the presentation to your banker.~~**7)**   Following our personal presentation; and during that same meeting, the loan closing should take place. The Fund Provider’s clean and clear funds will be wire-transferred from his major bank to your bank and from your bank to your project.  |

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| **COST** |

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| **Consultation Fee of ~~US$2,500~~ *this fee is now waived*.**~~When you decide to continue with our program, this fee will be payable together with the signing of our "Client Agreement". This fee will include the processing of your application, preparation for a bank presentation, consultation and communication costs.~~**Personal Presentation: *This; now, is the procedure we follow*.**~~If you decide to have us meet with your banker and make the presentation and/or meet at your bank for the closing,~~ you will be required to invite our team of 2 or 3 at **your** expense. Such expenses will include but not be limited to: airfare, hotel, ground transportation and the group daily retainer fees. Experience has shown this to be about $10,000 but it will be whatever is actually experienced during the visit. Foreign presentations may experience a somewhat higher fee.  |