 

TERM SHEET



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18. **Parties to the Funding Facility Agreement**

This Loan Facility Agreement is made on the ……..**day of ……………. 2022** between the following Parties:

**IIB DEVELOPMENT GROUP(IIB-DG)**

## 1050 Connecticut Ave, NW,5th Floor Washington DC 20036

## UNITED STATE of AMERICA (HEREIN REFERRED AS PARTY A)

**AND**

**Company name and address ……………………………**

## (HEREIN REFERRED AS PARTY B)

# 1.Nature and Purpose of the Funding Facility

This Term Sheet sets out the commercial terms and conditions pursuant to which PARTY A has agreed to Provide funding to PARTY B in the amount of ………………….(hereafter referred to as the **Facility**) for purpose of developing “Party B”, Project name /location  **…………………………………..**(Hereinafter referred to as the Project).

# 2.Use of Funds

### The use of funds shall include, but not be limited to:

* + The implementation, deployment, operation and infrastructure projects with the particular objectives of addressing infrastructure services and facilities in the country and fostering job creation, poverty reduction and economic development.
	+ Purchasing or leasing of offices, equipment, vehicles, machinery and related facilities and/or related physical and technological Infrastructure; the hiring of staff, consultants, contractors, suppliers, security and the payment of salaries for workers;
	+ All other lawful business / technology directly related to the Project and as pre-approved in writing by PARTY A – but of which shall not involve the manufacture/purchase/sale of arms & ammunition

# 3.Amount & Payment of Loan Facility

1. The Loan Facility shall be executed by means of monthly Payment Tranches that PARTY A shall make into PARTY B’s nominated Bank Account for the purposes of the agreed Project;
2. PARTY B shall give written instruction by a Formal Letter to PARTY A regarding the Banking co-ordinates to which any / all payments relating to this Loan Facility must be made;
3. PARTY B may at any time Instruct PARTY A to transfer Funds under this Loan Facility to a different Bank Account than the one originally nominated and as per changes in PARTY B’s business requirements – but conditional to PARTY B giving such new instruction in writing by Formal Letter to PARTY A and whereby such a change shall not be designed to corrupt or to deceive;
4. PARTY A shall make the **First Payment Tranche of € 10** Million representing **10% of Face value**.**, EURO 100.000.000 (One Hundred Million Euros)** to PARTY B within but no later than **30 (thirty) Business Days** from the date of official Bank Confirmation that the respective Financial Instrument (which is to be raised by PARTY B) had been issued correctly and as such accepted ,received, confirmed and authenticated by PARTY A’s receiving bank.
5. The remainder of the agreed Funding Facility, 90% will be spreaded out over 12 Months shall thereafter be paid by PARTY A to PARTY B in consecutive monthly tranches or as per Project Requirements and over a total period of 12 months–
6. Party B to receive each 30 days of each month after the first tranche, the amount of……………….for 12 Months.
7. The Parties agree that the Rating / Actual Value of PARTY B’s Financial Instrument (as determined in accordance with the methodology of the International Credit Rating Agency’s regarding Bank and Country of issuance) may negatively influence / affect the size of the Payment Tranches that PARTY A intends to make to PARTY B in terms of this Agreement.

# 4.Pre-Conditions to Availability of Facility

PARTY A is not obliged to provide nor to proceed with this Loan Facility to PARTY B until such time and to the extent, that:

1. PARTY B shall make available to PARTY A any/all information / documentation relating to the proposed “Project” and of which may reasonably be required by PARTY A for records.
	1. PARTY B – also for purposes of **mitigating PARTY A’s Risk** - shall within 10 (Ten) business days of

Signature of this Term Sheet by both Parties raise an industry standard, internationally recognized Financial Instrument in the form of either a Bank Guarantee (BG), Sovereign Guarantee, Standby Letter of Credit (SBLC), or an MTN / LTN from a Top World Bank.

1. The respective Financial Instrument: (I) must be a proper Cash-backed Instrument ; (ii) it must be issued / transferred correctly to PARTY A’s appointed Fiduciary / Bank by SWIFT MT760; (iii) it shall reflect a Face Value of  **INSERT THE AMOUNT OF GUARANTEE HERE .. EXAMPLE……EUROS 100Million (One Hundred Million Euros) ,**) it must hold a **Maturity / Expiry Date** of no less than 1 **(One ) years and (three Months)** from Date of Issuance thereof; and (v) it must be of standard International Format and Verbiage as pre-approved by PARTY A.

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# 5.Risk Mitigation & Security

1. PARTY A shall give Instruction to the Fiduciary to immediately return / release the respective Financial Instrument to PARTY B / Institution of Issuance in event of any of the following:
	1. Upon the arrival of the Maturity / Expiry Date thereof at the end of the agreed 1 Year and Three Months Period;
	2. At any earlier Date subject to this Loan Facility having been repaid in full by PARTY B;
	3. If PARTY A at any time finds itself unable to fulfill its Funding obligations & commitments to PARTY B in accordance with that which had been agreed to in this Term Sheet Agreement between the Parties;
	4. Where this Term Sheet Contract between PARTY A and Party B Expires or is lawfully cancelled for whatever valid reason;
	5. At any earlier Date or other as may otherwise be agreed to in writing between the Parties;
2. PARTY B shall at all times act in a lawful, honest and transparent manner with the monies received from PARTY A as per this Loan Facility – and as such PARTY B shall, upon PARTY A’s request for purposes of Inspection / Scrutiny / Verification, provide PARTY A’s appointed auditor(s) access to any related Project Reports, Financial Records and Statements, Bank Accounts and other Ledger of which can illustrate how the money from PARTY A are being / had been utilized / spent by PARTY B.
3. PARTY A on its part irrevocably agrees **NEVER** to attach / seize/ lay claim / to the respective Financial Instrument, its value or to any part thereof – **BUT** with the following **EXCEPTIONS only** and wherefore PARTY A shall Reserve all of his Rights and Legal options in event of any of the following**:**
	1. PARTY B misappropriates PARTY A’s funds for purposes other than what were agreed to in this Term sheet;
	2. PARTY B abuses the monies borrowed under this Term Sheet for purposes Terrorism, Corruption, other criminal Acts and/or towards the manufacture/purchase/sale of arms & ammunition;
	3. PARTY B fails to repay PARTY A where and when due;
	4. In the Event of a Default as described further on in this Agreement and of which Default PARTY B fails to Remedy within the prescribe period upon receiving a formal Notice of Default to that effect from PARTY A; or
	5. If otherwise so agreed to in writing between the Parties.

# 6.Drawdown Procedures

1. Drawdowns / Use of this Loan Facility by PARTY B shall be in the form of monthly Payment Tranches that PARTY A makes to PARTY B for the exclusive use towards the agreed “Project(s)” – of which monies maybe used by PARTY B for any bona fide, non-criminal purposes as were agreed to with
2. This provision is specifically to comply with International Law and to prevent monies under this Loan Facility of being misappropriated and/or misused towards terrorism, arms and munitions contraventions, corruption and/or other criminal activities – all of which may cause irreparable harm to the Business and Reputation of PARTY A;
3. PARTY A therefore reserves the absolute Right to reject, stop and withhold any Drawdowns / Payment Tranches under this Loan Facility to PARTY B in event PARTY A has reasonable grounds to suspect that the monies of such Drawdowns / Payment Tranches have been / are being / will be misappropriated and / or misused for purposes of crime, corruption and/or terrorism; or towards other purposes than what were explicitly agreed to in this Term Sheet Agreement.

**7.Repayment of Loan Facility-Non-Recourse**

1. Secured by collateral, with the Party B not being personally liable for further compensation if the debt is not repaid. The total Repayment Period afforded to PARTY B under this Term Sheet shall be 25 (Twenty-Five years.
2. An initial Grace Period of Five (5) years from Date of Term Sheet Signature and at 1% (One Percent) interest shall be granted to PARTY B before any Repayment to PARTY A must commence.
3. After the agreed Grace Period, PARTY B shall be granted a further 25 (Twenty-Five years) to repay
4. PARTY A and at which time a fixed interest rate of 1% (One percent) per annum shall be charged on the

outstanding Balance only.

1. The Parties therefore agree that PARTY B shall be afforded the full Grace Period to Build, Implement, and Roll-Out of the respective “Project” as agreed to under this Term Sheet; and whereby PARTY B thereafter could then be able to repay PARTY A from profits derived from / as generated by the completed Project.
2. The Repayment Period granted to PARTY B under this terms may be extended. Page 2

# 8.Other Repayment Terms

Where applicable, any amount outstanding under this Facility becomes immediately repayable in full in event and on the earlier of:

1. The end of the 25 (Twenty-Five years) repayment term from Date of Term Sheet Signature and as is granted by PARTY A to PARTY B under this Loan Facility;
2. Lawful Termination of this Term Sheet (other than termination resulting from the conclusion of a formal agreement), or if a different formal agreement between the Parties is entered into and incorporating the provisions of this Term Sheet into the new Formal Agreement;
3. PARTY B ceasing to have any interest (whether direct or indirect or whether the nature of that interest is legal, beneficial, economic or otherwise) in this Loan Facility;
4. The occurrence of an Event of Default – specifically where such Default is not remedied within the prescribed time period that is allowed for remedial of such a Default under this Term Sheet Agreement - and specifically after a formal Notice of Default to that effect was served by PARTY A on PARTY B;
5. Any / all amounts outstanding under this Loan Facility may at any time be **repaid EARLIER** by PARTY B and for which **NO PENALTY(S)** will be charged – in which such case of full earlier repayment by PARTY B PARTY A shall instruct the Fiduciary to immediately return the respective Financial Instrument to PARTY B / Bank of Issuance;

# 9.Event of Default

1. An Event of Default on the part of PARTY B shall occur where and when:
2. PARTY B fails to repay any amounts owing under the Facility where and when due;
3. PARTY B fails to perform or observe any obligation under the Facility and does not remedy / correct the failure within the prescribed period after receipt formal Notice from PARTY A;
4. Any present or future, or actual, prospective or contingent, indebtedness of PARTY B in respect of any
5. financial accommodation is or becomes due and payable or is or becomes capable of being declared due and payable before the due date for payment;
6. Any warranty, representation or statement by PARTY B is or becomes false, misleading or incorrect when made or regarded as made under this Term Sheet;
7. There becomes a material, adverse change in PARTY B’s assets, liabilities, financial position, prospects and / or PARTY B’s ability to repay this Loan Facility;
8. Other customary events of default relating to PARTY B’s solvency occur;
9. PARTY B misappropriates the funding received under this Loan Facility for purposes other than what was explicitly agreed to in this Term Sheet Agreement; and/or uses such for purposes of Terrorism, Corruption

and/or other criminal acts;

1. The agreed “Project” of PARTY B is grossly mismanaged and in such a way that could cause serious harm and/or losses in regards to PARTY A’s related Investment / Project Funding and/or other Business Interests;
2. The respective Bank Guarantee / Financial Instrument as were raised / issued by PARTY B as part of this Term Sheet Agreement for whatever reason becomes invalid or expires and is not re-validated, extended and re-issued where applicable; or where it is cancelled pre- maturely and unlawfully.
3. In an event of Default, PARTY B will be given 10 (ten) Business Days to remedy the Default AFTER receiving a formal written NOTICE / ADVICE of such Default from PARTY A.

# 10.Representations and Warranties

PARTY B will represent and warrant upon signing this Term Sheet and again on each drawdown that:

1. It has full power and authority to enter into and perform its obligations under the Term Sheet and has taken all necessary action to authorize the execution, delivery and performance of it;
2. The Term Sheet constitute legal, valid and binding obligations on PARTY B;
3. Entry into the Term Sheet does not result in PARTY B contravening any Laws, Acts or Constitution;
4. Entry into the Term Sheet does not place PARTY B in breach of any term(s) of any other Agreement;
5. No event has occurred which constitutes an Event of Default;
6. PARTY B and all members of its group are solvent and are able to pay their debts as and when they become due and payable under this Terms Sheet;
7. All information furnished by PARTY B to PARTY A in connection with this Term Sheet is true and correct in all respects and there are no other facts or circumstances of which it is aware that would render any such information misleading;
8. PARTY B has not violated any Laws, Restrictions or Agreements which may have a material adverse effect on the business, good name and reputation of PARTY A; and Page 3.
9. PARTY B has disclosed to PARTY A any and all information which might reasonably be expected to adversely influence the Decision of PARTY A to make this general Loan Facility available to PARTY B on terms and conditions similar to those contained in this Term Sheet Agreement.

# 11.Indemnity

1. PARTY B will indemnify PARTY A for any and all losses that PARTY B suffers occurring as a result of an Event of Default on the part of PARTY B - or by PARTY A exercising its powers as a result of an Event of Default on the part of PARTY B.
2. PARTY B shall at all times indemnify PARTY A and hold PARTY A innocent and harmless in the event any Legal Action (whether Civil or Criminal) is brought against PARTY B by any Government, Competent Authority and/or any Third Party relating to any/all aspects of the agreed Project(s), the respective Financial Instrument, and/or the Receipt and the Use of Funds under this Loan Facility - and whereas any such particular action / behavior by PARTY B that may have been deemed to be negligent, reckless, unlawful and of a criminal / liable nature;
3. The Parties agree that PARTY A shall NOT and under NO circumstances be held jointly Liable / Culpable with PARTY B in any Criminal or Civil Proceedings that is brought by any outside Government, Competent Authority and/or Third Parties against PARTY B / the Project or in the course of PARTY B’s normal course of business / operations relating to the agreed Project – and for which purposes PARTY B agrees to at all times hold PARTY A innocent, harmless and fully Indemnified.

# 12.Guarantor

Only where applicable and where so agreed to in writing between the Parties:

1. PARTY B’s Guarantor unconditionally and irrevocably guarantees to PARTY A the due and punctual performance by PARTY B of its obligations under this Term Sheet.
2. PARTY B’s Guarantor waives any rights it has of first requiring PARTY A to commence

proceeding or enforce any other right against PARTY B or any other person before claiming under this guarantee.

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1. PARTY A may treat PARTY B Guarantor as principal debtor jointly and severally with PARTY B.
2. The Guarantor is a continuing security and is not discharged by any one payment from PARTY B to PARTY A under the terms of this Loan Facility.

# 13.Arbitration

In the event of a Dispute arising between the Parties and concerning any aspect of this **Term Sheet** Agreement - including Breach of Contract with or without a claim for resulting damages by one Party to the other Party and/or towards another Party - remedy shall first be sought by communication and negotiation between the Parties. If such fails, then the Parties agree to have the matter Mediated & Arbitrated by THE INTERNATIONAL CHAMBER OF COMMERCE, PARIS, FRANCE, PUBLICATION NO. 600. The Outcome / Ruling of any formal Arbitration Process shall be respected by and binding on all Parties.

# 14.Binding Nature of Term Sheet

This Term Sheet is intended to be a binding legal Agreement between the parties which becomes legally binding and enforceable upon the Execution / Signature Date thereof by both Parties.

# 15.Severability and Termination

1. If any provision of this Agreement is declared void or unenforceable, such provision shall be severed from this Agreement. The remainder of the Agreement shall remain unaffected and otherwise remain in full force and legally binding, but only to the extent that the original intent of this Agreement would not be altered in any material aspect.
2. If one or more provisions of this Agreement are determined to be invalid, un-enforceable, or otherwise voidable, such a determination shall not affect the validity of the rest of the Agreement or any of the other provisions of this Agreement; and shall specifically not invalidate the Parties' agreement to commit themselves to a process of Arbitration in cases where any Dispute / Breach of Contract / prejudice may arise.
3. This Agreement may at any time be terminated by the mutual, written consent of both Parties

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# 16.Partial or Total Cancelation of the Debt after Audit report at the end of Grace period

a) In pursuit of Party A `s philanthropic and humanitarian vision and mission statements .

Party A reserves the absolute right at any time and in its sole discretion to consider canceling either part or all of this Line of Credit, Party A at any time agrees to waive ( write off) this loan, Party B will have nothing to repay to PartyA

 b) Party B will consider various factors when making such a cancellation decision such as, but not limited to, the following:

(i) Type of project;

(ii) Whether the project is purely philanthropic/humanitarian in nature and/or potentially holds significant commercial advantage;

(iii) Whether the Project generates / would be able to generate Profits;

(iv) Whether the project was completed on time, within budgetary constraints and without unnecessary expenditure;

(v) Party B has not misused / misappropriated any of the funds received;

(vi) Party B has not used the Funds received for Terrorism, war, corruption, other criminal acts and/or the purchase/Sale of arms and ammunition;

c) The parties agree that the matter of "cancellation" is neither a right that Party B may require therefore Party A has no obligation whatsoever to "cancel" the loan,

d) Party A, at the end of the "grace period" granted to Party B under this Agreement, shall, in its sole discretion, give consideration to the matter of Cancellation of the Line of Credit, Party A shall within 10 business days notify Party B in writing of its Final Decision on the matter of Pardon or Cancellation of Debt.

# 17.Final Signature Section

This Term Sheet Agreement is Agreed, Signed & Executed by the Parties on this Day of JULY 2022

as per the following signatories and wherefore any/all previous Agreements that may exist between the Parties in respect of this Transaction are hereby cancelled, withdrawn and voided. In Witness whereof, the parties hereto have executed this Term Sheet

For and on behalf of PARTY A

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Basha White Banczyk**

**Vice President**

**PARTY A**

For and on behalf of PARTY B

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Name**

**CEO**

**PARTY B**

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