

TERM SHEET

Loan Facility

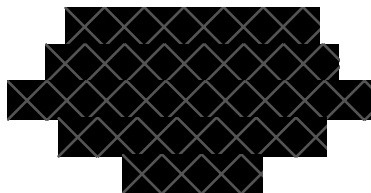
Client Code: 

The Terms and Conditions outlined in this Loan Facility Term Sheet (the “**Term Sheet**”) are for reference purposes only, and do not bind Borrower to a Loan commitment; however, in the event that Borrower does sign this Term Sheet it shall be considered the Borrower's commitment to proceed forward towards the completion of the Loan process.

Full provisions of all Terms and Conditions governing the credit facilities outlined herein, will also be contained in a “Final Loan Agreement,” to be entered into between the parties hereto (the “**Loan Agreement**”). A binding commitment regarding the proposed Facility will result only from the execution and delivery of the Loan Documents. All amounts are in United States Dollars, unless expressly stated otherwise.

This document is for the confidential use of Borrower (as defined below) and the Lender (as defined below), and may not, without the prior written consent of the Lender, be disclosed to any other party.

This Term Sheet is made as of 10 May 2024 between;



(the Lender)

- and -



(the Borrower)

(collectively the “Parties”)

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Client Code: [REDACTED]

Background

This Term Sheet sets out the commercial terms and conditions pursuant to which the Lender ([REDACTED]) may provide a wholesale loan facility of up to Three-Times (3X) Borrower's ("[REDACTED]") Deposit Amount. This Term Sheet does not bind Borrower to accepting a Loan in any manner, but simply provides the general terms and conditions of the Loan offer being considered. This Term Sheet sets out the commercial terms and conditions under which the Lender may provide a wholesale loan facility of up to **Thirty-Million United States Dollars (\$30,000,000 USD)** (the "Facility") to Borrower. FundingNet has approved this loan facility for "[REDACTED]", contingent upon "[REDACTED]" completing the requisite steps of the [REDACTED] loan processes and procedures.

Status of this Term Sheet

Immediately upon execution of this Term Sheet, and funding of the Deposit by Borrower by way of an approved method, all the parties acknowledge that they will move to create a legally binding Loan Agreement, and any related security, note, guarantee, hypothecation and other documents (collectively, the "Loan Documents"), between them in accordance with the agreed upon terms and conditions as set out below. **If the Term Sheet has not been signed within 30 days of issuance, it will be terminated**, unless an extension is granted by [REDACTED]. In the event of "termination", Borrower will only be able to resubmit their deal if they pay a **\$25,000 USD "Resubmission Fee"**, to cover the time and expenses incurred by [REDACTED] and its affiliates during the initial engagement phase.

TERMS AND CONDITIONS

Nature and Purpose of the Facility

The Lender will provide Borrower with an interestbearing Facility for the purposes of providing Borrower with financing, as set out in the "Use of Funds" section.

Borrower will position their "Qualifying Capital" ("QC") as agreed upon in the Formal Proposal provided by [REDACTED]

[REDACTED] will **never** be involved in the deposit or management of the "QC", nor will [REDACTED] ever be in receipt of the "QC".

The "QC" will be held in either Borrower's own Bank (subject to specific conditions being met), or under the custodial care of a fully regulated entity that will deal directly with Borrower, and be contractually bound to the Borrower. The acceptable method will be determined during the underwriting phase of the Full Application Package.

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The granting of the Credit Facility will require the following steps to be **fully** completed. Failure to complete the following steps will prevent financing.

- 1) Borrower provides FULL Loan Application Package; completed and signed.
- 2) Borrower positions “QC”, as per the Terms found within the “Formal Loan Proposal”.
- 3) Borrower wires amount quoted in Proposal to designated Paymaster account, to pay for Fees associated with preparation of Loan Agreements, and Closing Costs.
- 4) Compliance Period Begins & Loan Agreement constructed by [REDACTED] Lawyers.
- 5) Loan is disbursed approximately **60-90 business days from the date of the “QC” being confirmed in the appropriate safekeeping account.** *Note that this date is an estimate, as it must also take into account those months where the banks are not operating at a normal pace, as laid out in the “FAQ” that Borrower will have already acknowledged and signed.

Use of Funds

The proceeds from the Facility shall be used solely for the following purposes:

- Borrower’s ordinary course of business expenditures (which for the avoidance of doubt, must be arm’s length expenditures owing to unrelated third parties, and expressly excludes any related party transactions, distributions to shareholders, payments of Borrower’s board of directors and senior management salaries and/or bonuses and the like), each as approved in writing by the Lender (acting reasonably and in good faith).

Amount of Facility

Up to **Thirty-Million United States Dollars (\$30,000,000 USD)**.

Term

The Facility will mature **forty-eight (48) months** from the Closing Date (as defined below) (the “Maturity Date”) with one possible extension, if and only if, [REDACTED] is informed of the extension in writing 90 days prior to the expiration of the original loan (as long as the loan has remained in good standing throughout the loan term, and that the loan on its merits is worthy of an extension).

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Interest Rate

Interest will accrue and be paid or capitalized quarterly on the outstanding principal at the rate of **“Secured Overnight Financing Rate” (SOFR) + 2.5%** (the **“Interest”**).

Interest will be calculated annually, and **paid quarterly** by Borrower, based on all outstanding amounts due to the Lender at the time of payment. A schedule of payments and times will be agreed to by the parties and incorporated into the final loan agreement.

Borrower is required to make all interest payments in full and on time; however, Borrower can also make principal payments without penalty at any time during the term of the agreement (the **“Term”**).

Loan Fee

If “Borrower” enters into a signed, binding Loan Agreement with [REDACTED] or a designated affiliate, [REDACTED] will receive a “One-Time” Loan fee, calculated as **3% of the Total Loan Amount Approved**.

“Borrower” hereby agrees that only **upon the successful closing of the transaction and initial disbursement** contemplated herein, the firm or lawyer handling the transaction is instructed to deduct the **3%** Loan Fee from the initial disbursement of the Credit Facility, and direct those funds from the first monthly draw to a designated account, as instructed by [REDACTED]

Preconditions to Availability of Facility

The availability of the Facility shall be subject to the following conditions precedent:

- to the extent required to permit the Facility to be made available, the Lender receives the approval of the corresponding Bank on terms satisfactory to the Lender;
- on or before **June 12, 2024** (or such later date as the parties may agree in writing), the Lender is satisfied, in its sole discretion, with its due diligence investigations in respect of the assets and liabilities, financial position, profit and loss, operational performance, prospects and financial condition of Borrower and each of Borrower’s subsidiaries (collectively, the **“Borrower’s Group”**), together with the security which Borrower is required to provide in respect of the Facility, shall have been delivered in form and substance satisfactory to the Lender;
- Borrower has granted in favor of the Lender, first ranking security in a form acceptable to the Lender (in its absolute discretion) over all of its assets and the interest that Borrower and any members of Borrower’s Group holds directly or indirectly in Borrower’s, or its affiliated Companies names.
- registration of all security interests granted to the Lender, as may be required to protect first priority interest in all applicable jurisdictions.

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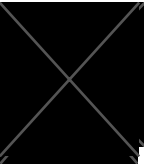
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- the Lender has received a *certified copy of a resolution of the directors* of Borrower:
 - confirming the solvency of Borrower and each member of Borrower's Group;
 - certifying that as at the date of that resolution, no fact or circumstance has occurred, or in the reasonable opinion of the board of Borrower, is likely to occur on or before the date of the first drawdown which has or would have a material adverse effect on the ability of Borrower to comply with its payment obligations in terms of the Facility;
 - approving the terms and conditions of this Term Sheet, the Loan Agreement and the Loan Documents; and
 - **authorizing a director or other authorized representative to execute this Term Sheet, and sign the Final Loan Agreement, on behalf of Borrower.**

Repayment Terms

Any amounts outstanding under the Facility become immediately repayable in full on the earlier of:

- the termination of this Term Sheet (other than termination resulting from the execution of the Loan Agreement), or the Loan Agreement;
- at the end of the Term;
- the occurrence of an Event of Default (as defined below) which is not remedied within the time period required to remedy such a default after notice to that effect from the Lender; (assuming that the default can be remedied).
- Borrower, or any members of Borrower's Group, ceasing to have any interest (whether direct or indirect, or whether the nature of that interest is legal, beneficial, economic or otherwise) in **Borrower**.
- the date on which the Facility is terminated pursuant to the acceleration provisions in the Loan Agreement.
- Borrower can prepay the outstanding amounts on the Facility prior to the Maturity Date without penalty by providing a notice of termination to the Lender, provided that the Facility must have been in place for a minimum of **twelve (12) months** before Borrower can exercise such prepayment right.



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Repayment Options

At the end of the Term the Lender may offer some/all of the following options:

- Pay the total amount outstanding in full, to the Lender;
- Convert all or part of the outstanding debt to equity based on the last company valuation or on a conversion formula agreed to by the parties;
- Convert all or part of the debt to a longterm mortgage;
- Extend the facility to be repaid on an agreed upon schedule. Any extension notice must be submitted in accordance with the extension section below.

Security

Borrower shall provide the usual and customary credit and security documents for transactions of this nature. The security shall be in form and substance satisfactory to the Lender and its counsel and shall include, but not be limited, to the following:

- A **General Security Agreement (“GSA”)** or the equivalent in the relevant jurisdiction, from Borrower, providing the Lender with a first-ranking security interest over all of its tangible and intangible assets, whether now owned or hereafter acquired, subject to permitted encumbrances to be agreed.

Closing

Borrower’s Deposit will be maintained in one of the following states:

- 1) Funds will be wired directly to a fully regulated safekeeping entity (ie: Lawyer), where the “QC” will be held in a “Non-Depletion Account” at a top tier bank, for the duration of the loan.
 - 2) In Borrower’s current deposit account, with a SBLC issued against those funds by Borrower’s Bank. (Procedures, outlined in “FAQ”, must be strictly adhered to).
 - 3) In Borrower’s Current Deposit Account, set up as required for the transaction (final details to be provided by our banking group) - (Typically reserved for deposits \$100M or greater).
- Borrower’s “QC” will be credited 5% per year while it remains on the sidelines for the duration of the loan.
 - The **“Loan Document Request Form”** shall be signed by Borrower immediately following the confirmation of their “QC” being in place, (or wired), so that the Lawyers can begin drafting the Final Loan Agreements, and have them completed before the Loan funds are ready to disburse.

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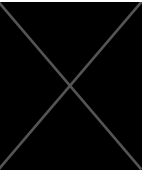
Client Code: [REDACTED]

- Closing costs and fees for the drafting and execution of the Final Loan Agreement, will begin with a **\$30,000 - \$50,000 Deposit** to the assigned Paymaster, based on the **quote** provided in the Proposal. In the event that costs exceed this amount, an itemized list of any additional charges will be provided by the Lender.
- Closing costs will never exceed one percent (1%) of the Loan Facility, as expressed in the FundingNet “FAQ”, but for standard loan deals under \$100M USD, will rarely exceed \$85,000.
- The Loan Compliance Process starts from the time the Deposit is fully verified to be in place, and our Bank has signed the contract with [REDACTED] for the creation of the Credit Facility. This process, combined with the compliance clearance procedures and bonding, typically takes **60-90 business days** before disbursement can begin.
- Upon completion of the compliance process, having cleared all anti-money laundering and anti-terrorist protocols, funds can be released for drawdown, as per the approved drawdown schedule.
- Borrower will then begin to receive their disbursements, as per their approved Project Drawdown Schedule.
- Borrower’s “QC” will remain safely on deposit with the safekeeping entity that Borrower has contracted and entrusted with that task, until Borrower has repaid the associated [REDACTED] loan **in full**.

Deposit Account

- Borrower should set up a deposit account at a bank of their choice, in which they will receive the funding. The funds will arrive as per the agreed upon schedule submitted by Borrower, and approved by the Lender

Borrower will pay to Lender’s designated representative, the amount of **Five Thousand Dollars (\$5,000.00 USD)** per month for a dedicated oversight Custodian who will liaise directly with Borrower in order to ensure compliance by Borrower with the use of funds as stated herein. Such oversight custodial fee will become due and payable thirty (30) days following the first draw down of funds by Borrower and shall remain in effect every thirty (30) days thereafter until the earlier of the expiry of the Term of the loan facility or the termination of same. This fee may initially be deducted from the monthly loan disbursements after which, they will be invoiced to Borrower on a monthly basis.



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Extension

All outstanding monies will be due in full at the end of the Term, or such earlier date as set out in the “Repayment Terms” section. If Borrower wishes to extend the Term, past this fortyeight (48) months, then Borrower may;

- Provide written notice to the Lender that Borrower wishes to extend the Term for an additional period of time and to clearly outline in such notice the additional time requested (the “**Extension Request**”).
- This written notice must be received by the Lender no later than ninety (90) days before the end of the Term.
- Upon receipt of the Extension Request, the Lender may accept or deny the Extension Request at its sole discretion, by written notice to Borrower.

Negative Pledge

Except in relation to proposed asset sales by Borrower and members of Borrower’s Group which have been disclosed in writing to the Lender before execution of this Term Sheet, Borrower undertakes not to, without the Lender’s consent (which will not be unreasonably withheld or delayed) to:

- dispose of any of its major assets; and
- grant any encumbrances over any of its major assets.

Event of Default

The events of default will be usual and customary for a transaction of this nature including, but not limited to, the occurrence of any of the following events (an “**Event of Default**”):

- Borrower fails to pay any amounts owing under the Loan Agreement as and when due, and such default remains for five (5) Business Days;
- Borrower fails to perform or observe any obligation under the Loan Agreement and does not remedy the failure within five (5) Business Days after receipt of a notice;
- any present or future, or actual, prospective or contingent, indebtedness of Borrower or Borrower’s Group in respect of any financial accommodation is or becomes due and payable or is or becomes capable of being declared due and

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payable before the due date for payment, and such default remains for five (5) Business Days;

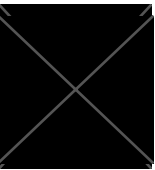
- any warranty, representation or statement by Borrower is, or becomes false, misleading or incorrect when made, or regarded as made, under this Term Sheet or any of the Loan Documents, and such default remains for five (5) Business Days;
- there is a material adverse change in Borrower's or any member of Borrower's Group assets, liabilities, financial position or prospects, and such default remains for five (5) Business Days; and
- other customary events of default relating to Borrower's solvency, or any member of Borrower's Group solvency occur.

As is customary with events of default, all further Loan disbursements will be suspended until the default is rectified to align with the terms and conditions governing the Loan Agreement.

Representations and Warranties

The representations and warranties will be usual and customary for a transaction of this nature, including, but not limited to, each of the following:

- Borrower has full power and authority to enter into and perform its obligations under the Term Sheet and the Loan Documents and has taken all necessary action to authorize the execution, delivery and performance of it;
- the Loan Documents will constitute legal, valid and binding obligations on Borrower;
- entry into the Term Sheet and the Loan Documents does not result in Borrower contravening any law or its constitution;
- entry into the Term Sheet and the Loan Documents does not place Borrower in breach of the term of any other agreement;
- no event has occurred which constitutes an Event of Default;
- Borrower and members of its group are solvent and are able to pay their debts as and when they become due and payable;
- all information furnished by Borrower to the Lender in connection with this Term Sheet and the Loan Documents 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, or alter the business situation of Borrower;



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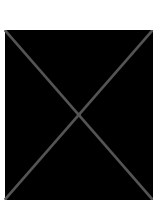


- Borrower has not violated any law or agreements which may have a material adverse effect on the business or financial condition of Borrower or any member of Borrower's Group; and
- Borrower has disclosed to the Lender any information which might reasonably be expected to adversely influence the decision of a lender to make a general corporate borrowing facility available to Borrower on terms and conditions similar to those contained in this Term Sheet.

Indemnity

From the date of the issuance of this Term Sheet, Borrower agrees to indemnify and hold harmless the Lender, its affiliates, controlling persons, successors and assigns, and the respective officers, directors, employees, agents, advisors and other representatives of each of the foregoing (each, an “**Indemnified Person**”), from and against any and all losses, claims, damages and liabilities of any kind or nature. This will include all reasonable and documented out-of-pocket expenses, to which any such Indemnified Person may become subject to the extent arising out of, resulting from or in connection with this Term Sheet and the resulting Loan Documents (including the failure to enter into the definitive Loan Documents or arising from any realization or enforcement of the Lender's rights upon an Event of Default), the Facility, or any use of the proceeds thereof or any claim, litigation, investigation or proceeding (including any inquiry or investigation) relating to any of the foregoing, regardless of whether any such Indemnified Person is a party thereto, and to reimburse each such Indemnified Person upon demand for any reasonable and documented out-of-pocket legal expenses of any counsel for all such Indemnified Persons, taken as a whole and, if necessary, of any local counsel in each appropriate jurisdiction (which may include special counsel acting in multiple jurisdictions) for any such Indemnified Persons, taken as a whole (and, in the case of an actual or perceived conflict of interest where the Indemnified Person affected by such conflict informs Borrower of such conflict and thereafter retains its own counsel, of another firm of counsel for such affected Indemnified Person), or other reasonable and documented out-of-pocket fees and expenses incurred in connection with investigating or defending any of the foregoing; provided that the foregoing indemnity will not, as to any Indemnified Person, apply to the extent that they have resulted from the willful misconduct or gross negligence of such Indemnified Person (as determined by a court of competent jurisdiction in a final and non-appealable decision).

- Notwithstanding any other provision of this Term Sheet, (i) no Indemnified Person shall be liable for any damages arising from the use by others of information or other materials obtained through internet, electronic, telecommunications or other information transmission systems, and (ii) no Indemnified Person shall be liable for any indirect, special, punitive or consequential damages (including, without limitation, any loss of profits, business or anticipated savings) in connection with this Term Sheet, the Loan Documents, the Facility and/or the use of proceeds thereunder.



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Costs

In the event that Borrower walks away from the transaction prior to Loan disbursement, and regardless of whether the Loan Agreement is consummated, the definitive Loan Documents are executed and delivered, or the Facility is accepted by Borrower; once Borrower has ordered the Final Loan Agreement to be drafted and wired their initial Closing Costs, Borrower agrees to reimburse the Lender for all reasonable and documented out-of-pocket expenses, including but not limited to, the expense of the Lender's Loan Fees, reasonable and documented professional fees, disbursements and other charges of our legal counsel in each case incurred in connection with the Facility and the preparation, negotiation and enforcement of this Term Sheet, the Loan Documents and any ancillary arrangements in connection therewith. Any such costs will be itemized for Borrower by the Lender.

Confidentiality

The parties must keep confidential the terms and conditions of the Facility and will only discuss or disclose such terms and conditions if required by law or as otherwise authorized by the other party in writing.

Formal Documents

The Lender will instruct its counsel to prepare formal documents incorporating the provisions set forth in this Term Sheet and other terms customarily found in a Facility of this type. It is understood and agreed that from and after the closing, the provisions of this paragraph shall be superseded by the Loan Documents. The “**Closing Date**” is the date on which all of the conditions set forth in the Loan Agreement have been fulfilled or performed to the satisfaction of the Lender.

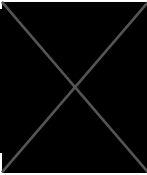
Governing Law

This Term Sheet shall be construed according to the laws of Nevis. Each of the parties irrevocably and unconditionally submits to the jurisdiction of the courts of Nevis, to determine all issues, whether at law or in equity, arising from this Term Sheet.

Dispute Resolution

If a dispute arises out of, or in connection with this Contract, the parties agree to meet to pursue resolution through negotiation or other appropriate alternative dispute resolution process before resorting to litigation.

All information exchanged during this meeting or any subsequent dispute resolution process, shall be regarded as “without prejudice” communications for the purpose of settlement negotiations and shall be treated as confidential by the parties and their representatives, unless otherwise required by law. However, evidence that is independently admissible or discoverable shall not be rendered inadmissible or non-discoverable by virtue of its use during the dispute resolution process.



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- ***Resolution Costs:***

The parties agree that they will each be responsible for the costs of their own legal counsel and personal travel. Fees and expenses of the mediator and all administrative costs of the mediation, such as the cost of the mediation room, if any, shall be borne equally by the parties.

- ***Confidentiality:***

All information exchanged during this mediation shall be regarded as “*without prejudice*” communications for the purpose of settlement negotiations and shall be treated as confidential by the parties and their representatives, unless otherwise required by law. However, evidence that is independently admissible or discoverable shall not be rendered inadmissible or non-discoverable by virtue of its use during the mediation.

- ***Prohibition against Future Assistance:***

It is agreed that the mediator will neither represent nor testify on behalf of any of the parties in any subsequent legal proceeding between the parties or where they are opposed in interest. It is further agreed that the personal notes and written opinions of the mediator made in relation to this mediation are confidential and may not be used in any subsequent proceeding between the parties or where they are opposed in interest.

- ***Termination:***

Either party may terminate the mediation at any time.

- ***Mediator's Report:***

In the event that no agreement is reached, or is reached on some issues only, the mediator shall promptly provide a report to the parties stating only that no agreement was reached on some or all of the outstanding issues.

- ***No New Steps:***

During the course of the mediation, the parties agree to take no new steps in any legal proceeding between them which concerns the same matter as is the subject of this mediation

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Client Code: [REDACTED]

Acknowledgement;

Through the signing of this Term Sheet, the undersigned Borrower(s) acknowledges that;

- i. While this Term Sheet **does not bind** the signatory to any commitment for a Loan from FundingNet, it does confirm that Borrower is ready to move to the “QC” Deposit stage of the deal process, under the associated specific rules and protocols, as outlined within this Term Sheet.
- ii. While this Term Sheet does not bind the signatory to proceeding with a Loan, in the event that the signatory does move forward with the loan, then Borrower is immediately and irrevocably bound by all expectations outlined in this Term Sheet, and the Final Loan Agreements.
- iii. ALL “decision-makers” that are affiliated with Borrower in this deal, have been involved from the outset, and have posed all questions pertaining to due diligence, loan processes and procedural details up to this point in the deal, and have received satisfactory responses in order to move forward, without interruption.
- iv. By the time that we have reached the Term Sheet stage in the Loan process, should Borrower, or any of Borrower's associated parties, henceforth be hampered by “early-stage issues” that have already been previously addressed through calls, emails or the signed “FAQ” itself, this deal will be removed from the queue, this term sheet will be terminated, and the deal will be **RESET** back to the initial stage for proper program clarification, before Borrower and his newly introduced associates can proceed. At that point, Borrower will be forced to **resubmit** the file so we can restart the process from the beginning, in order to answer those initial stage questions and concerns. This will likely involve a “Resubmission Fee” to cover the weeks, or months, that have been committed by [REDACTED] prior to being forced to restart the process.

Counterparts

This Term Sheet may be signed in counterparts which together will constitute one agreement. A party may execute this Term Sheet by signing any counterpart.

This Term Sheet is **valid for 30 days** from the day and year set forth above.

This Term Sheet is executed and delivered on the day and year set forth above.



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SIGNATURES:

 as Lender;


 as Borrower;

Signature:

Name: _____

Title: _____

Signature:

Name: 

Title: _____

Dated this ____ Day of _____, 202__.