

Our Ref. XX.X.01
(Date) _____, 2011

_____ (Address) _____

_____ (City) _____ (Zip) _____

_____ (Country) _____



DRAFT

LETTER CONTRACT *

Client's Code: S. ___/___


Dear Mr. _____:


Re. Project " _____ "

This **Letter Contract** ("LC") is to confirm that WE, **International Investment Council**, Washington, D.C., U.S.A., ("IIC"), are ready and have the ability to provide YOU, _____ **XXX** _____, Ltd, __ (country) __, (" **XXX** ") the service, we have been requested in your letter of MM/DD/2011. This confirmation is subject to our business due diligence associated with the investment service transaction whereto and follows Advisory Board Resolution of _____ DD, 2011.

We hereby propose the following general terms and conditions in two phases:

A. **Design Development Phase:**

 **Project Overview**, incl. first issue of Cash-flow Pro-forma Budgeting completed to the satisfaction of the Credit Facility Institution in the pre-financing stage—one of the U.S. federal government export-**credit agencies** ("the U.S. Agency")—and such other certificates, documents (pre-agreements, contracts, etc.) and other papers and information that the U.S. Agency may request, as applications therewith enclosed and completed, all those made in close co-operation and permanent contact with XXX's experts.

 **Information**. XXX shall provide all necessary technical data and other information on date-to-date bases about the Project—production facility and technology in connection thereof (specification and commercial information), your company's full financial information and the business environment on the place of business where the Project domiciles—all required for making business & environmental planning in close cooperation and permanent direct contact with XXX's experts or through Mr. _____, __ (country) __, referring the following topics:


- Annual returns for the last three years with comments by your accounting services provider in terms of **creditworthiness**,
- Engineering project (if any),
- Your company profile, *and*
- Business environmental review on the place of business where the XXX's project domiciles;


* with facilitating support interactive links for the Client easy, when used online


all required for making environmental study and business plan.

One month

from the date of your LC confirmation hereof


 **Borrower's Own Funds Participation.** XXX shall participate in the credit transaction with both [i] own funds in an amount equal to 15 percent of the U.S. Export price wired to each single U.S. exporter or a lump sum directly to the Agency *and* [ii] cover those local country expenses that are not eligible for the Agency as its regulation so stipulates but are required and included into the business plan. In case XXX is not in **liquidity** position to make this front payment, we could negotiate with a credit bank to do so for the benefit of XXX or to involve own funds on **venture capital** bases. Closing this option (if assigned to us) is subject of further discussions in terms and cost value aspect only.


 **XXX's Promissory Note Guarantee** for approval by both the U.S. Agency (optional with creditworthy company/sponsor's guarantee, provided XXX does not meet the **eligible borrower** standards.


 **Admission Fee Deposit Quota** disbursement encompassing as follows: filing fee, round business trip(s) expenses and office overheads in full for the first month and for the next months properly covering those costs integrally connected to the Project (**allowance** hereunto included; no IIC expert's salaries and profit). The deposit, single one or renewable, if the case so requires, is refundable **rebate** in the part of the last quota remaining unexpended and further retrieved; and permanently duly accounted.


\$_,000.-


wired against Pro-forma Invoice

 **Settlement.** IIC shall report the fee deposit/operating cost balance for settlement *and* the final results achieved.

 **Business Plan.** IIC shall make the first issue of draft plan incl. [i] Cash-flow Pro-forma Budgeting *and* [ii] Project Overview (Memorandum), both made on the preliminary info-bases of the Project following expert evaluation of the required **capital goods** and services including local country expenses and the expected revenues. No any IIC's service charge is therefor due (except the respective overheads only).

 **Consideration.** In this First Development Phase XXX shall pay the IIC's **period costs** only. No **opportunity cost** is subject of remuneration.

 **Application for Eligibility.** IIC shall request on behalf of XXX that the Agency issue *Confirmation of Eligibility (CoE)* of the loan applicant, XXX, by delivering to the Agency at its address for notices specified herein an application therefore, completed to the satisfaction of the Agency, and such other certificates, documents and other papers and information as the Agency may request. Upon receipt of any application, the Agency will process such application and the certificates, documents and other papers and information delivered to it in connection therewith in accordance with its customary procedures and is expected to issue the CoE requested thereby by issuing the original of such CoE to the beneficiary thereof or as otherwise may be agreed by the Agency and IIC. The Agency shall furnish a copy of such *CoE* together with full set of documents in hard copies for to the Borrower/XXX promptly following the issuance thereof.

 **Final Settlement.** IIC reports the fee deposit/operating period cost balance for settlement *and* the final results achieved.

- **Option A:** The result is positive and entirely accepted by XXX – first payment of the agreed service fee as fixed herein below;
- **Option B:** The results are positive in part or completely *either* XXX approves the IIC's service but the goal—XXX's eligibility—is not confirmed by the Agency (e.g. XXX Promissory Note that secured the loan is not accepted or 15-percent own funds participation is not available) *or* the CoE by the Agency is available in time;

[i] first payment of **a part** of the agreed service fee affixed on a single XXX's decision bases, mutually consented (but not lesser that the affixed below), is paid; XXX obtains the right to use said result(s); *or*

[ii] the first payment is denied by XXX in whole; no further mutual obligations as herein below are outlined and agreed are in force; XXX has not right to use said result(s) in part and in whole in any legal form.

B. "Steps-to-Follow" Phase, strictly recommended (provided the above *Opt. A* and *Opt. B* [i] work):

- a) **Confirmation.** XXX writes Letter of Interest simply confirming its general acceptance of Item A results and pays IIC accordingly.
- b) **Professional Service Cost-Plus Fixed Fee (CPFF) Contract** <see more! conclusion; to be delivered to XXX for review and approval process upon receiving of said Letter of Interest.
- c) **Credit Loan Application.** IIC shall advice and assist XXX in middle-term credit loan application. In connection thereof, the Agency will provide U.S. State Guarantee for the beneficiary of XXX to a U.S. service bank in Europe that will extend and serve the credit in 85% of the total price of the loan for delivery the capital goods on c.i.f. bases and services as the business plan so provides, plus up to 15% of the total export price for local country expenses integrally connected to the Project. The Agency shall furnish a copy of such State Guarantee to EEC-S promptly following the issuance thereof.
- d) **Service Fee.** The customary fee for such a service provided by U.S. engineering and financial advisors that the U.S. federal government credit agency approve, contract and disburse as export of service is \$250,000 up to \$350,000 depending on the nature of the project. All additionally agreed undertakings are considered as extra charges.

\$ __,000.-

53% front payment own funds: __,000.-

94% balance borrowed funds: __,000.-

- (i) **SWAT Analyses**, modification of the Cash-flow Pro-forma of the Business Plan into Excel-active program file of action plan *and* financial **remote control** system;
- (ii) **Web Presentation.** IIC designs and hosts web site or client/partner's section in its own site whereon password secured financial records of the Project will be permanently uploaded for remote control of the cash flows by the U.S. Agency.

\$15,000.-

15% front payment own funds: \$2,250.-

85% balance borrowed funds: \$12,750.-

- e) *Corporate Guarantee*. XXX provides corporate Promissory Notes in compliance with specimen promising to pay the capital goods and services to be delivered and exposure fee (annual interest) under the project in 6-month installments (no bank guarantee is required in connection thereof).
 - f) *Indemnity (optional)*. IIC, if the above (Para "f") causes occur, may prepare, print and provide corporate **first-mortgage** equity bonds as security, backed by the Borrower's (or JVPC's) shares and **bond indenture** draft that the parties therein will sign; the number of the bonds is equal to the number of installments that **amortize** the debt; the bond maturity terms co-exist with the debt life.
 - g) IIC works on "*arm's length principle*" and "*Client-Centered investment advisor "fee-only bases"*", therefore it does not collect commission or bonuses. In the event the proposed Contract price differs significantly from the expected, IIC shall cancel its participation in the business venture and will inform XXX within one week. Any other position may cause **conflict of interest** conditions.
 - h) *Down Payment*—XXX shall make a **down payment** of 15% of the total purchase contract(s) (purchase order(s) price(s) in advance for commencement of manufacturing the Project's capital goods—equipment, service(s) and for delivery of tracks, cars, computers, security equipment, etc., if specified.
 - i) *Delivery* of capital goods, **turnkey** launch in operation. Delivery term is ordinary not longer than 18 months from the date of down payment (to be discussed upon receiving of quotations/purchase orders.
 - j) *Payment of Commission Fee(s)* to middlemen both on IIC's site and on XXX's site by XXX as percentage of the Project price as fixed in the fee protection agreement(s).
 - k) *Installation, Remuneration, Consideration*
- C. As set forth by those certain *steps-to-follow* of Phase 2, the procedure hereinabove outlined should be agreed in **good faith** and to the best of the Parties' knowledge on the day of conclusion of the Service Contract.

Date of confirmation of this LC means the last of both dates you sign and return this LC and receiving of Admission Fee first deposit quota wire transfer.

So we are going to walk you through the loan application process, and hopefully you'll be able to see the results right online.

We will appreciate your prompt reply by Letter of Interest.

Respectfully submitted,

Prof. George Angelow,
CEO

Approved,

Date: