

EUROASIAN

38 Gloucester Road, Wan Chai, Hong Kong, PRC +852 3017 0530
352 Kent Street Sydney NSW 2000 AUSTRALIA +61 2 9475 4424
deanwentworth@euroasian.com

PROGRAM SA4 INSTITUTIONAL FUND

<i>Lender</i>	Consortium of European Banks
<i>Borrowers</i>	Governments, Government Agencies, Institutions, Colleges, Universities, Pension Funds, Endowments, Foundations, Trusts, Municipalities, International Corporations, High Net Worth Individuals and/or Partnerships.
<i>Security</i>	Borrower's project will not be encumbered however Borrower must be able to confirm that 100% of the requested loan sum can be guaranteed by one of the following Instruments; Standby Letter of Credit; Letter of Guarantee; Letter of Insurance Guarantee; Unsecured Promissory Notes; Co-Guarantee of Promissory Notes; Municipal/Institutional Guarantee.
<i>Loan Sum</i>	Total loan sum will be advanced at closing which typically takes place 4 to 6 weeks from the time the Guarantee Instrument is accepted.
<i>Rate</i>	Subject to the strength of the Guarantee but typically LIBOR + .50%.
<i>Term</i>	Negotiable but generally up to 7 years with extensions possible. Interest may be capitalized for the first 24 months. There are no prepayment penalties.
<i>Currency</i>	Most hard currencies.
<i>Use of Loan Funds</i>	Must be for a specific project but no restrictions other than any unlawful use or for weapons, ammunition, munitions, lethal military combat equipment, combat vehicles or combat aircraft.
<i>Mandate</i>	Euroasian's Dean Wentworth must be appointed the Borrower's Exclusive Mandated Agent for the purposes of negotiating the loan.

*Meetings with Dean Wentworth are normally held in Sydney
however Mr. Wentworth is also available to meet with Clients in
Hong Kong, Zurich or San Francisco.*

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1.0 Documents Needed to Begin

1.1 Letter of Request from Borrower to Euroasian

This letter, on Borrowers stationary, formally requests a loan, specifies Borrower's desired terms and conditions, and identifies the guarantee-issuer.

1.2 Letter of Willingness to Issue Guarantee from guarantee-issuer to Borrower

This letter expresses the willingness of the guarantee-issuer to issue and deliver its irrevocable, unconditional guarantee in favour of a Lender as beneficiary.

1.3 Specimens

Specimens of these Letters will be provided upon request.

1.4 Euroasian's Financial Services Agreement

Euroasian issues the above Agreement which sets out the terms and conditions of our engagement. This agreement must be executed and returned together with letters 1.1 and 1.2.

2.0 Underwriting Procedure

2.1 Receiving the Letters

- 2.1.1 Within a few days of receipt of these letters, both in original form and by facsimile, the Loan Offer will be forwarded to the Borrower which will contain specific terms and conditions.
- 2.1.2 Borrower accepts the Loan Offer in writing and returns it.
- 2.1.3 The Placing Agreement will then be issued indicating the time needed to make the proceeds available to the Borrower. It includes the documents to be utilized in the transaction.
- 2.1.4 Borrower accepts the Placing Agreement in writing and returns it.

2.2 Confirmation of the Guarantee

- 2.2.1 The names of the Lender's nominated bankers will be issued to the guarantee-issuer, requiring that the guarantee-issuer confirm to the Lender's bankers by tested TELEX or SWIFT, their intention to issue the guarantee upon their receipt of the confirmation of the availability of loan funds by the Lender's bank designated for this communication.
- 2.2.2 Documents will then be transmitted evidencing the loan to the Borrower. These documents are the Promissory Notes to be issued by the Borrower in favour of the Lender's lending bank as beneficiary.
- 2.2.3 Guarantee-issuer then confirms its intention to issue the guarantee to the Lender's bank by tested TELEX or SWIFT.

2.3 Confirmation of Loan Funds

- 2.3.1 Upon receipt of this commitment to issue the guarantee, the Lender's bank confirms availability of loan funds to guarantee-issuer by tested TELEX or SWIFT.
- 2.3.2 This confirmation will include the Lender's bank's commitment to make the loan funds available within the time period stipulated in the Placing Agreement and will specify the Value Date - the date upon which the LIBOR will be assigned to the transaction.
- 2.3.3 This confirmation will provide for a sufficient amount of time for the Borrower and guarantee-issuer to forward the loan documents to the Lender's bank.

2.4 Exchange of Loan Documents

- 2.4.1 The Borrower will be notified of the scheduled funds disbursement date.
- 2.4.2 Borrower delivers its wire transfer instructions for disbursement of loan proceeds into the Borrower's account.
- 2.4.3 Loan proceeds will be released into this account by the guarantee-issuer.
- 2.4.4 Borrower confirms that all necessary documents have been executed.
- 2.4.5 Borrower receives confirmation that all steps in the Underwriting Procedure to this point, have been successfully completed.

2.5 Issuance of the Guarantee

- 2.5.1 The Lender's bank disburses the net loan proceeds to the guarantee-issuer by bank wire transfer.
- 2.5.2 The guarantee-issuer holds these funds for the Borrower.
- 2.5.3 The applicable loan fees are withheld from the loan proceeds before disbursement to the guarantee-issuer.
- 2.5.4 Guarantee-issuer then issues the actual guarantee and documents evidencing the loan [executed Promissory Notes] and delivers both by tested TELEX or SWIFT and original hard copy to the Lender's bank no later than 48 hours before the Value Date. Guarantee and Promissory Notes must be received by the Lender's bank on this day at the latest.
- 2.5.5 On the Value Date, the LIBOR is assigned to the loan transaction. Borrower's loan interest rate will be this LIBOR + applicable margin.

2.6 Release of the Proceeds

- 2.6.1 The Lender's bank then confirms to the guarantee-issuer that it has received the actual guarantee along with the executed Promissory Notes in good order.
- 2.6.2 The guarantee-issuer releases the net loan proceeds into the bank account of the Borrower.
- 2.6.3 At this point, the loan transaction has been successfully completed.

3.0 When to lodge your Formal Application to Euroasian

- 3.1 Prospective Borrowers should approach Euroasian *after* they have formally applied to the guarantee-issuer and *after* the guarantee-issuer has approved the application for issuance of the guarantee.
- 3.2 Guarantee-issuing banks often proceed slowly in determining acceptability of collateral and in performing credit analysis to ascertain collateral value.
- 3.3 For competitive reasons, banks will often attempt to dissuade qualified borrowers from obtaining guarantees by offering to make loans with no guarantee required. This Program offered through Euroasian always has an interest rate and terms and conditions that are exceedingly more beneficial to the Borrower than bank loans without guarantees.

4.0 If you need help

- 4.1 If the Borrower doesn't know where to go or how to secure a guarantee, Euroasian is available on a fee basis to assist qualified Borrowers in arranging for the issuance of guarantees.
- 4.2 To qualify, Borrower must demonstrate to Euroasian, with complete documentation, that it has presently available financial resources to secure issuance of a guarantee from an accepted guarantee-issuer.
- 4.3 Euroasian's compensation which includes consulting fee and expenses is based upon the nature of the work, amount of effort needed, and time required to successfully secure and place the guarantee with an accepted guarantee-issuer.