

# WESTERLY

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## TERMS & CONDITIONS

Westerly Limited and The Westerly Mortgage Trust (“Westerly”) is a privately owned Investment Firm which in addition to investing its own funds, also acts for high net worth individuals who seek a secure investment with a reasonable return on their capital.

The following outlines the General Terms, Conditions and Procedures, for an advance of loan funds by Westerly.

### 1.1 Security, Guarantee Sum & Equity Requirements

Security for the advance will be a first charge over the Applicant’s Project together with a Cash Deposit (“the Guarantee Sum”) in the sum of 10% of the loan sum or EUR 10,000,000 whichever is the larger, to be deposited in a bank account with Westerly, repayable to the Borrower upon repayment of the loan but forfeited in the event of the Borrower’s default. Additionally Westerly will hold 29% equity in the borrowing entity and its Project. If for any reason whatsoever the Applicant does not accept Westerly’s loan, the Guarantee Sum will be repayable 12 months following the date of the Guarantee Sum being deposited with Westerly. No interest is payable. The 12 month term relates to Westerly’s investment contract term.

The Guarantee Sum is a key element in enabling Westerly to lend to the Borrower. By depositing the Guarantee Sum with Westerly, it is able to draw-down the Loan Sum from its Credit Line Bankers and on-lend. The manner in which Westerly invests with its Credit Line Bankers is explained in documents which are available from Westerly upon request.

If the Applicant does not have the Guarantee Sum, it may be possible to raise this via Private Investment Companies (“The Investors”) in Geneva, Switzerland and Dubia, UAE. In that event, the equity requirement rises to 49%.

The above referenced equity percentages assumes that the Applicant does not have existing equity in the Project for which the funds are required. Where existing equity is quantified to Westerly’s satisfaction, Westerly’s equity will be reduced on a pro-rata basis.

### 1.2 Proposed Loan Sum

This Sum is to be confirmed or modified as mutually agreed between the Applicant and Westerly but a minimum of EUR 25 million.

### 1.3 Interest and Capital

No interest will be charged and therefore there will be no interest payments. The capital must be repaid as per a Repayment Schedule prepared by the Applicant and approved by Westerly.

### 1.4 Loan Term

The Term is to be confirmed or modified as mutually agreed between the Applicant and Westerly but not in excess of 15 years. Where the Loan is advanced for development purposes, that development must be commenced and completed as per the Draw-Down Schedule referred to in clause 1.6 of this Letter. Thereafter the early discharge of the Loan is permitted on any one (1) year anniversary of the loan closing, without further penalty.

1.5 Purchase of Westerly's Equity Interest

Subject to repayment of the loan, the Borrower may purchase in full or in part Westerly's equity at the Project's then market value. "Then market value" is the mean average of the appraised value as assessed by a mutually acceptable appraiser instructed by the Borrower and by a mutually acceptable appraiser instructed by Westerly. Alternatively the Borrower may elect to remain in partnership with Westerly and apply to fund another project.

1.6 Draw-Down

The Draw-Down Schedule must be agreed between the Applicant and Westerly.

1.7 Applicant Meetings & Letter of Intent ("LOI")

Westerly will require the Applicant to meet its Senior Trustee, Dean Wentworth, in Hong Kong. Subject to a satisfactory meeting, Westerly will conditionally issue its Letter of Intent ("LOI"). Where the Applicant seeks the assistance of The Investors to provide the Guarantee Sum, Mr. Wentworth is required to confer with those Investors which meetings will take place following the Applicant's acceptance of the LOI. Euroasian charges for any time and travel related disbursements they incur.

1.8 Required Documentation

An Applicant is required to lodge with Westerly a current Business Plan, detailed 5 year cash projections and any Third Party project supporting documentation that is current and directly relates to the subject Project. The Business Plan must include an Executive Summary of no more than 5 pages in length. Should Westerly require further documentation, same maybe at the Applicant's expense. Thereafter Westerly will issue the appropriate Compliance Documentation which must be completed and returned to Westerly within 14 days of the issue date.

1.9 Applicant's Lodgement of The Guarantee Sum

Westerly will nominate the International Bank ("The Bank") and the branch of same, to receive The Guarantee Sum. The Applicant will be required to attend on The Bank along with Mr. Wentworth for the purpose of opening the bank account ("The Account"). The Applicant and Mr. Wentworth will be the signatories to The Account.

1.10 Share Transfer Agreement

Thereafter Mr. Wentworth will instruct Westerly's Attorneys to prepare the Share Transfer Agreement ("The Agreement"), a copy of which will be forwarded to the Applicant's Attorney for review and approval. Once approved, the Applicant and Mr. Wentworth will execute same. The Agreement will contain the draft wording of a Resolution authorizing Mr. Wentworth to apply for a Bank Line of Credit and in so doing, to request The Bank to guarantee The Account for an initial term of one year and one day, renewable at Westerly's direction.

1.11 Meeting with Westerly's Credit Line Bankers ("Westerly's Bankers")

Mr. Wentworth will thereafter lodge with Westerly's Bankers the executed Share Transfer Agreement with the request that a contract be issued to Westerly ("the Contract") confirming that the Loan Sum will be made available to Westerly in accordance with the agreed Draw-Down Schedule. Upon execution of the Contract, Westerly will issue its Formal Loan Approval ("the Loan Approval").

1.12 Success Fee

Euroasian will charge a Success Fee, built into the first draw, of 3% of the Loan Sum. It shares this fee equally with Westerly. No other fee is charged other than -

- (a) The travel related disbursements as referenced in clause 1.7.
- (b) Any third party documentation costs that Euroasian may incur, as referenced in clause 1.8.
- (c) The disbursement costs (if applicable) as referenced in clause 1.14.
- (d) The referral Fee (if applicable) as referenced in clause 1.13

#### 1.13 Referral Fees

Westerly will not permit more than 1% of the loan sum to be paid to Parties referring an application. This does not prevent the Introducer reaching a private agreement with an Applicant but that private agreement will have to be funded by the Applicant out of the Applicant's own reserves, not via any loan advanced by Westerly.

#### 1.14 Disbursement Costs

Following the Applicant's acceptance of the LOI **and where the Applicant provides the Guarantee Sum**, Westerly needs to form a Special Purpose Vehicle company in Hong Kong where the shareholders will be the Applicant and Westerly. That company then opens a bank account in one of the major international banks in Hong Kong, into which the Guarantee Sum is deposited under the signatory control of the Applicant and Mr. Wentworth. The disbursement charges for travel related costs, legal and accountancy fees etc., totals EUR 100,000, payable in advance of the costs being incurred. **This cost is not incurred** where The Investors provides the Guarantee Sum as the Guarantee Sum is paid directly to Westerly.

#### 1.15 Transaction Timing

The time to close a Westerly transaction is governed by the availability of satisfactory (to Westerly) project related documentation; the availability of Westerly's Trustees; the availability of the Applicant and its Advisers; the negotiations on the part of Westerly with its Credit Line Bankers and their timing re the release of the funds to Westerly; the time required by lawyers on both sides to prepare and execute the appropriate documents, etc. etc. Applicants are advised they should not enter into a proposed borrowing transaction unless there is adequate time to enable all parties to act in a professional and timely manner.

Should an Applicant wish to speak with the Senior Trustee, please email [DeanWentworth@Euroasian.com](mailto:DeanWentworth@Euroasian.com). Mr. Wentworth will provide the Applicant with a conference call telephone number. Alternatively an Applicant may forward questions by email to the writer.

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## WESTERLY PROCEDURES

The following applies:

- 1 Submit a completed TUAYP (attached) together with a short (5 page) Executive Summary. Please ensure that Section 3 of the TUAYP is completed including the value projections in column 6. You may need the writer's input to adapt this document to your own situation. Dean Wentworth will be happy to provide this assistance however please do not provide any additional documentation initially. If we accept and agree to meet with you we will then require the additional documentation as set forth in the next paragraph.
- 2 Upon acceptance I will call for a meeting with you. Normally this meeting will take place in Hong Kong but in certain circumstances, an alternative location (The Meeting City) may be acceptable. You will need to provide, but not limited to, (a) detailed 5 year cash projections; (b) detailed Business Plan; and (c) any Third Party project supporting documentation that is current and directly relates to the Project. If this documentation is not available, Westerly will reserve the right to require same to be prepared by parties of Westerly's nomination, at your expense. We will discuss this procedure (if necessary), at the first of two meetings we hold with you. I need you to remain in The Meeting City for 2 consecutive business days so that the transaction can be submitted to Westerly's Trustees and hopefully permission given for me to issue a Conditional Letter of Intent (LOI). Although I am the Senior Trustee, it requires the support of two other Trustees in order that I can sign off on a LOI. The signing of the Acceptance of the LOI will constitute the second meeting.
- 3 The only initial charge to you is my time and travel related disbursement costs which will vary depending on whether you require The Investors in Switzerland to contribute the Guarantee Sum in which instance I will go to Switzerland after completing the meetings with you. It is a condition of lodging an application with The Investors, that I have your written acceptance of the LOI. Unless the original application contains satisfactory proof of funds (for the Guarantee Sum), we will assume that you will require the support of The Investors.
- 4 Where you have the Guarantee Sum in cash available for the transaction and have provided acceptable proof of funds, you will be required in due course to come to Hong Kong in order that the appropriate bank account and company formation documents, can be finalized. The approximate charge for this documentation is EUR 100,000. This step is not required where you request the services of The Investors to provide the Guarantee Sum.

Regards,

**WESTERLY**  
Westerly Limited  
Dean Wentworth  
ESTABLISHED 1992

*(NOTE: This e-mail and attachments are: (1) the confidential and exclusive property of Dean Wentworth, (2) may contain proprietary and/or confidential Dean Wentworth - Client work product protected by privileges and law, (3) are limited by their language as to binding effect, (4) shall not effect rights in or to contracts or litigation, and (5) to comply with IRS Circular 230 disclosure, do not contain tax advice and, thus, cannot be used for avoiding tax penalties or promoting/marketing any matters herein. If you have received this e-mail in error you already know it, so please delete it, do not forward it and by return e-mail advise the sender that you have complied with this request. By opening this e-mail and attachments in error you acknowledge that you have used this information improperly, and may not use the information in or attached to this e-mail without compensation to the sender).*

