



MODUS OPERANDI

for time optimization and cost reduction of investment project development

(recommended)*


This is a STANDARD PROCEDURE for loan application to governmental Export Credit Agencies (ECA) by Investor / Borrower ("the Investor") who meets with the following ECA's requirements:

- A) **Corporate guarantee**[↓] (not bank guarantee) for 85 percent of the credit loan; the borrower has to be creditworthy¹ company or, if it is not, the guarantee to be confirmed by one with similar activity that covers this requirement; and
- B) **To make front-up down payments** of 15 percent of the contract prices of the U.S. export of capital goods, services and raw materials.


In addition, the **Investor** has an option to utilize up to **30 percent of the export value** as a part of the credit loan for the project's **local country expenses** such as construction design, consulting and advisory services, construction of the plant and other facilities, etc. This procedure starts and ends fast and requires to be prepaid in advance the insignificant amount for the International Investment Council's (IIC) expenses during the predesign period. This payment is also a guarantee against an irresponsible and unreasonable termination of the procedure in progress.

1. Investor **INQUIRES** IIC through its Authorized regional Agents in Trust, Brothers Global Ltd., London, Tomislav Jončić, Serbia, or our outsourcing East Electric Company, Ltd., a Bulgarian auxiliary partner ("**Trusty**") for the need of financing an investment project. In return, the **Investor** receives a Questionnaire² to fill it. The procedure for preparation of financial package for loan application the parties communicate through Internet only.



Investor may request an *initial face-to-face in-depth consultation meeting* to discuss the project—the existing investment risks and financial conditions, as well as preliminary reviewed information in our web site  which will reduce the time and expense. If requested, on the meeting could be invited an IIC's chief officer. The meeting may be held only in regional office of IIC's Group or its **Trusty**; depending thereof the service fee is set-up between \$270 and \$500 (with introductory discount).

* NOTE. Any Investor's declination from this procedure leads immediately and without option for discussions to increase the IIC's costs, which as a matter of fact, are Investor's responsibility and are due for down payment in anticipation.

↓ This requirement does not apply to the so-called "project finance" , which is the basis of our financial modeling.

2. **Trusty** provides report to **IIC** for review and approval process. In return, with Board Resolution, **IIC** provides a legal letter – draft of preliminary agreement (**LETTER CONTRACT**). It is to achieve the following:
 - (i) short preliminary risk assessment of the investment with probability to be approved for financing;
 - (ii) full quantity risk assessment – revising and update of the available information about prior probability of risk events of interest and the posterior probabilities of their impact over the risk with option for computing these probabilities in the sensitivity analyses in the Business Plan for risk protection of the expected outcome of the investment;
 - (ii) to frame the investment and defines the parties obligations until approval (or disapproval) by the **ECA** the borrowing eligibility³ of the **Investor** and its loan application; *and*
 - (iii) to fix the expenses that usually associate with such an application (excluding personnel remuneration) during one month (plus max 15-day extension) from the date of the front payment.

Minimum amount is \$10,000.- (ten thousand US Dollar only).

*(This condition is applied depending on the nature of the project on “case-by-case” bases; if agreed, the above-mentioned **one month+ term** will be doubled).*

Explanation. *It habitually happens on **Investors** appear to have generally welcomed the charges. He will receive a great part of the service results in advance. Such results are planned to be actually paid later from the credit. They're formed in a financial package. This's an intangible asset, irreplaceable and fully required for any loan application meaningless, whoever the lender will be. After the consultation, if he chooses not to utilize the provided services to that point, they are still for him almost free.*

3. If the **Investor** agrees to continue the consulting process with **IIC**, it will be furnished with professional advisory and assistance service **Cost plus Fixed Fee (CPFF) CONTRACT**. The **Investor's** obligation under this contract could be completed with approaches to it following acceptable easy-to-understand reports.
4. **IIC** will prepare **DOCUMENTATION FOR THE CREDIT LOAN APPLICATION** in very close cooperation and participation of **Investor** by contacts on daily or weekly basis, and provide it to selected Agency.
5. **IIC** directly and/or through **Trusty** will:
 - (i) submit the loan application on behalf of the **Investor**;
 - (ii) negotiate with US and EU banks, for additional funding (if necessary);
 - (iii) arrange for and provide so called “Sponsor” (Guarantor) with the approval by the **ECA** (if necessary); *and*
 - (iv) negotiate or assists the **Investor** in **CONCLUSIONS EXPORT CONTRACTS** (purchase orders) for delivery of capital goods—equipment, raw materials and services—and the credit agreement with the Agency and authorized Bank that will serve the project.

THIS PROCEDURE WILL TAKE SOME TIME FOR LENDER'S CONFIRMATION ONE MONTH^{+15 days?} ONLY; AND FOR APPROVAL UP TO THREE MONTHS , AS THE U.S. REGULATORY SO REQUIRES, FROM THE DATE OF THE AGENCY'S *COMMITMENT LETTER*.



IIC designs special website and implements the required computer system for remote control of cash flows for the loan period.

Investor receives from the United States (or other country of export) said capital goods on c.i.f.-bases, subject of the contracts and the credit agreement; assembling and commissioning is following, and it starts payment of interests from the date(s) of final settlement(s) of each separate contract.

Investor starts to pay off principal installments in 6-mont periods after the grace period.

APPROVED:



If you use this letter online, take the opportunity of external URL links.

¹ Turnover, assets and profit, presented by audit for the last three years, to overtop the principal of the loan. For more information click the URL link to visit the IIC's Web site:

<http://www.eec.us.com/fin/crwrt.docx>

² To be enclosed.

³ Detailed description of the problem – on the Web page of IIC's site:

<http://www.iic-london.co.uk/ctrl/practice/eximbank.htm>