



CANADA AVIATION AND FINANCE MANAGEMENT LTD.

FUNDING CONTRACT

This Funding Contract has been entered into between :

.....
.....
represented by, holder of Passport No:)
(herein after referred to as FIRST PARTY)

and

.....
.....
represented by, holder of Passport No:)
herein after referred to as SECOND PARTY)

WHEREAS,

FIRST PARTY is engaged in Financial Syndication and Financial Consultancy, SECOND PARTY is desirous of availing Funding assistance to the tune of USD Million (USD Million only) for the construction of the proposed project at

FIRST PARTY offered their services to SECOND PARTY to arrange the Funding assistance of USD Million, as per the Terms and Conditions mentioned herein below:

1. FUNDING ASSISTANCE OFFERED

1.1 The funding assistance offered by FIRST PARTY to the SECOND PARTY shall be USD Million (USD..... Million only). The FIRST PARTY shall pay to the SECOND PARTY USD Million (USD Million only) free and clear of any deductions, charges or withholdings of the country of origin from where the Funding assistance will be provided or any political sub division or authority thereof or therein.



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2. SECURITY OFFERED FOR FUNDING ASSISTANCE

2.1 The security for funding assistance shall be: -

- a) Land, owned by (SECOND PARTY) and the building to be constructed and fixed assets to be acquired with the funding assistance extended/to be extended by FIRST PARTY, shall be mortgaged as security for the financial assistance. The mortgage shall be released upon the SECOND PARTY has paid off fully the Principal and interest to FIRST PARTY.

Within 10 (TEN) days of the release of the First instalment of funding assistance by FIRST PARTY to SECOND PARTY, the SECOND PARTY shall provide mortgage certificate for the land, the proposed building and the assets to be created, covered under this Agreement, notarised and attested from the Local Authorities. The FIRST PARTY or nominated Local Real Estate Company will have the title to the property from the date on which the mortgage will be registered and possession will be given to FIRST PARTY accordingly.

- b) Promissory Notes as per Annexure II together with Post dated cheques towards the principal and interest duly notarised and attested in Court.

3. INTEREST

3.1 The interest rate for the funding assistance shall be 3% per annum on arrears.

4. MARGIN MONEY

4.1 The SECOND PARTY shall deposit USD Million (USD Million) which is equivalent to% of project cost, as margin money deposit for the funding assistance. The margin money shall be in the form of a Bank Guarantee. The issuance of the Bank Guarantee shall be as per the following terms :-

- i) The Bank Guarantee shall be as per Annexure I.
- ii) The Bank Guarantee to be established in favour of
- iii) The Bank Guarantee shall be for ONE year ONE month extendable for another Two more years. The Issuing Bank shall take FULL responsibility to extend the Bank Guarantee and extension to be done 10 days before the maturity period.
- iv) The Bank Guarantee shall be from Bank (TOP 50 World Banks).
- v) The SECOND PARTY shall arrange to add confirmation to the Bank Guarantee by Bank, or USA. (This is applicable if the guarantee issuing bank is a local bank). Please refer Annexure.
- vi) Upon maturity of 3 (Three) years, the Bank Guarantee shall be returned unencumbered. CANFIM's bank shall provide confirmation to this effect with full bank responsibility.



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4.2 The FIRST PARTY is authorised and entitled to encash the Bank Guarantee of US\$..... Million, subject to the following conditions :-

- i) The SECOND PARTY's contractor fails to complete the construction of the building project covered under this Agreement.
- ii) SECOND PARTY's Contractor stops the building construction work due to his incapability to continue the construction of the building project for any reason excluding the delay in releasing the funding assistance by the FIRST PARTY to the SECOND PARTY, as per the agreed schedule.
- iii) Any award issued by
- iv) SECOND PARTY fails to mortgage the property within the stipulated time as per this contract.

4.3 The SECOND PARTY has the right to cancel the Bank Guarantee, subject to the following conditions :-

- i) In the event FIRST PARTY fails to effect the first instalment of funding assistance of US\$ Million, within 30 banking days from the date of receipt of Bank Guarantee for US\$ Million from SECOND PARTY.
- ii) Should the FIRST PARTY fail to release and make payment of the balance amount of funding assistance of US\$ Million or part of it as per the agreed instalment based on the project implementation progress certified by the appointed consultants and as required for the implementation of the project

5. REPAYMENT OF FUNDING ASSISTANCE

5.1 The funding assistance shall be repaid together with interest by SECOND PARTY to the FIRST PARTY over a period ofyears, including moratorium period of years.

6. BANK CHARGES

6.1 All the bank charges in issuing the Bank Guarantee, shall be to the account of SECOND PARTY.

6.2 In the event of the failure of the FIRST PARTY to effect the payment for First instalment as per the terms of this Contract, the bank charges shall be reimbursed by the FIRST PARTY to the SECOND PARTY.

7. DISBURSEMENT OF FUNDING ASSISTANCE

7.1 The Funding assistance of US\$ Million shall be disbursed as per the disbursement schedule.



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7.2 In the event the construction of the project is stopped due to the timely non- release of funding assistance by the FIRST PARTY to the SECOND PARTY after the first instalment of funding assistance is released by FIRST PARTY, the SECOND PARTY shall issue a notice of Demand for the release of funds to the FIRST PARTY and upon receipt of such notice, if the FIRST PARTY fails to release the funds within 60 days (SIXTY days), the SECOND PARTY shall have the right to takeover the project with all executed constructions without any repayment of funding assistance extended by FIRST PARTY to SECOND PARTY. In this case, the FIRST PARTY will have no right to claim repayments from SECOND PARTY. Further the FIRST PARTY shall also be liable to return the Bank Guarantee of US\$..... Million, releasing of the mortgage charge on the property and returning of Post Dated Cheques for the due payment of instalments by SECOND PARTY, referenced in this Contract.

7.3 In the event the SECOND PARTY fails to do the implementation of the project as per the project schedule, the FIRST PARTY has the right to suspend the release of Funding Assistance to SECOND PARTY and complete the construction of the building and manage the property until the entire payment due to FIRST PARTY is recovered from the rental revenue of the subject property, covered under this Agreement, together with all expenses, including legal expenses.

8. BUILDING CONSTRUCTION

8.1 The building, covered under this Agreement, shall be constructed by an “A” Grade Registered Contractor, under the entire supervision of the appointed consultants.

8.2 The SECOND PARTY shall furnish to FIRST PARTY the full details of the Contractor, building drawing, building construction approval certificates issued by the Local Authorities within

8.3 SECOND PARTY undertakes to appoint as the Architect and Consultants for the Design, Drawing and Supervision of the building construction.

8.4 By this Funding Contract, the SECOND PARTY authorises FIRST PARTY To Pay the due approved amounts not exceeding the amount stated in Annexure III, to the Architects, Contractors, Consultants and other Suppliers on behalf of SECOND PARTY.

9. PROPERTY AND FUND MANAGEMENT

9.1 Property Management

FIRST PARTY shall appoint a Competent Maintenance company to do the maintenance of the property until the full funding assistance and interest is paid off by the SECOND PARTY to FIRST PARTY.



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Further the FIRST PARTY agrees to create a Reserve Fund Account @ 5% of the Rental revenue every year, FROM THE RENTAL REVENUE to be received from the Property, for maintenance reserve and this reserve fund shall be utilised strictly, fully or partially, as per the requirements for maintenance of the building covered under this contract and the balance shall be transferred to the Reserve Fund.

9.2 Fund Management

Both FIRST PARTY and SECOND PARTY agrees to appoint..... Bank, Private Banking Division as the Fund Managers or Custodian Bank for the building project. The scope of services under the Fund Management shall be as follows :-

- i) To hold on deposit the Promissory Notes and Post dated cheques issued by SECOND PARTY in favour of FIRST PARTY for the due repayment of funding assistance and the payment of interest.
- ii) To collect the rent from the Tenants to be occupied in the proposed Property.
- iii) To disburse the payments due to FIRST PARTY as per the Promissory Note towards principal and interest.
- iv) To transfer the 5% of the rental revenue for the full funding period of years towards the Maintenance Reserve account to be created by the FIRST PARTY and SECOND PARTY.
- v) To disburse the balance amount from the total revenue after deducting expenses covered under (iii) & (iv) referred above, to the SECOND PARTY.

9.3 Management fees to Custodian Bank

Both the FIRST PARTY and the SECOND PARTY agrees to pay the Management fees to the Custodian Bank, for the services extended. This Management fees shall be shared by the parties equally.

9.4 Nominees of Custodian Bank and the Funding Group

It has been agreed by the Parties that one authorised representative of the FIRST PARTY and one representative of the Custodian Bank should be invited for Board Meetings and in the Decision Making Committee. The Board/Committee decisions will be recorded in the minutes of the meeting.

9.5 Insurance

The SECOND PARTY undertakes to insure the land and building and other fixed assets created by utilising the funding assistance extended by FIRST PARTY.



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The insurance shall be done through **LLOYDS Insurance**, through their Agents/Underwriters, covering for the **Full Risk** including the following, but not limited to:

- i) Expropriation**
- ii) War**
- iii) Forced Abandonment**
- iv) Inconvertibility**
- v) Forced Divestiture**
- vi) Selective Discrimination**
- vii) Breach of Contractual Obligations by Government**
- viii) Political Force Majeure**
- ix) Additional coverages such as disruption due to conventional land and marine perils available.**

10. FULL DISCLOSURE

- 10.1 The parties mutually agree to provide each other with full and complete information to the best of their ability as to any transaction(s) in which the parties, or any party introduced by a party to this Agreement, is involved.
- 10.2 The parties hereby declare and agree that there are numerous instances in which, under contractual confidentiality agreements with third parties, disclosure is prohibited. Therefore, information covered by such confidentiality agreements with third parties will remain privileged and neither party shall have a right to such information.

11. DUTY OF GOOD FAITH AND DEALING

- 11.1 All parties agree they will deal in good faith with the other and will provide any and all materials, information and assistance as may be reasonably necessary to complete contemplated transactions in a complete, professional, and timely manner. The parties agree that in the performance of this Agreement, the parties shall be required to expend only such time and effort as they, in their sole discretion, reasonably believe is required to fulfill the goals and purposes of this Agreement.

12. TERM

- 12.1 This Agreement is valid upon its signature by both the PARTIES and SECOND PARTY provides Bank Guarantee as per the Terms of this Agreement. This Agreement terminates upon completion of 15 years and/or the SECOND PARTY pay off the principal and interest due to the FIRST PARTY.



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13. DISPUTE RESOLUTION, VENUE AND COSTS

- 13.1 In the event of any controversy or dispute arising out of this Agreement, or any resulting transaction, the parties shall first attempt to achieve an adequate settlement among themselves. If such an attempt fails, the dispute or controversy arising out of or relating to this Agreement or its interpretation shall be settled exclusively and finally by arbitration. Each arbitration will be governed by the provisions of Swiss Arbitration Practice. The arbitration shall be conducted in Geneva, Switzerland.
- 13.2 Any award rendered in any such arbitration proceeding shall be final and binding on each of the parties, their respective heirs, executors, administrators, legal representatives, successors and assigns, and judgement may be entered thereon in a Court of competent jurisdiction. The arbitrator shall award one hundred percent (100%) of all attorney's fees and costs incurred by the prevailing party in any such arbitration proceeding. All attorney's fees and costs shall be included in any award rendered in such arbitration proceeding by the arbitrator.
- 13.3 A dispute in any unresolved disagreement between the parties relating to this Agreement. It includes any claim or controversy of any kind which arises out of, or is in any way related to, this Agreement. It also includes statutory, common law and equitable claims. A dispute also includes any disagreement about the meaning of this Agreement and whether a disagreement is a "dispute" subject to binding arbitration as provided for in this Agreement.
- 13.4 Any dispute arising out of mortgaging of the referenced property shall be referred to the Arbitration Committee in and shall be governed as per the Provisions covered under 13.1, 13.2 & 13.3 above.

14. JURISDICTION

- 14.1 Jurisdiction shall be in Geneva, Switzerland. For the Mortgage of the Property, Rules shall apply.

15. FORCE MAJEURE

- 15.1 No party shall be liable for any inability to comply with the obligation inherent in this Agreement, whether wholly or in part, where such inability is due, whether directly or indirectly, to - (i) Causes beyond their reasonable control ; (ii) Acts of God ; (iii) Acts (including failure to act) of any Government Authority (dejure or de facto) ; (iv) Wars (whether declared or undeclared) ; (v) Riots, Revolution, Strikes, or other labour disputes ; (vi) Fire, Flood, Sabotage, Nuclear Accident, Earthquake, Storm or Epidemic ; and (vii) Where banks are closed by reason of Industrial Dispute or Government Intervention.



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15.2 In all other respects, any legal definition of a circumstance promoting a claim for Force Majeure shall consider provisions of the clause, “Force Majeure Hardship” as contained in the International Chamber of Commerce Publication No. 421, which model reference clause is deemed included herein by said reference.

16. CHANGES, AMENDMENTS, MODIFICATIONS

16.1 In order to be effective, any change, modification, or amendment to this Agreement must be made in writing and signed by all parties to this Agreement.

17. BINDING UPON SUCCESSORS

17.1 This Agreement shall inure to the benefit and be binding upon the parties, their respective heirs, executors, administrators, legal representatives, successors and assigns, shall extend to their controlled corporations, partnerships, trusts, proprietorships, affiliates, agents, trustees, or executives until termination of this Agreement and extended only to the subject mortgaged property.

18. ASSIGNMENT

18.1 The rights and obligations under this Agreement of any of the parties hereto may not be assigned without the prior written consent of the other parties hereto,

19. NOTICES

19.1 All notices, requests, demand, and other communications provided for thereunder shall be in writing (or by facsimile transmission) and shall be deemed to have been duly given or at such addresses as the party affected may designate in written notice in compliance herewith.

20. WAIVER NOT CONSENT

20.1 A waiver, at any time, of compliance with any of the terms and conditions of this Agreement, shall not be construed to be a modification, cancellation, or waiver of such terms and conditions, or any preceding or succeeding breach thereof, unless expressly so stated in writing.

21. SECTION HEADINGS

21.1 The section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.



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21.2 Paragraph headings and numbering of paragraphs as utilised herein is for convenience of review only, and in any legal interpretation, such headings and numberings shall not be construed as part of the contents, or an indication of the contents of the particular paragraph then under review.

22. COUNTERPARTS

22.1 This Agreement may be executed in one or more counterparts by hard copy signatures and/or signature on facsimile copies, each of which shall be deemed an original, and said counterparts shall together constitute but one and the same Agreement, binding upon the parties, notwithstanding that the parties are not signatory to the original or the same counterparts. Legible, machine-receipted telefax copies of signed documents shall be valid and accepted as original in the absence of demonstrated forgery. All facsimiles shall be followed by the delivery of executed hard copy originals at the request of either party.

22.2 The parties hereto acknowledge that a facsimile copy of this Agreement in executed form, shall be deemed an original, binding and enforceable instrument.

23. ENTIRE AGREEMENT

23.1 Except as otherwise provided herein, this Agreement constituted the entire Agreement between the parties, and all prior negotiations, representations, or Agreements between the parties, whether oral or written, are merged into this Agreement. This Agreement may only be amended, supplemented, or changed and any provision hereof can be waived, only by a written instrument making specific reference to this Agreement signed by all parties hereto. This Agreement consists of Nine (9) pages, including the signature page.

24. LEGAL OPINION

24.1 The parties hereto acknowledge that each has had adequate time and opportunity to consult with a counsel of their own choosing, prior to the execution of these presents, and having had such advice as deemed necessary, or lack thereof by voluntary election, each has executed this Agreement freely, and under no compulsion or coercion.



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25. REPRESENTATION OF AUTHORITY

25.1 Investor hereby represents that : (a) they are in good standing under the Laws of their respective jurisdiction ; (b) the execution, delivery and performance of this Agreement is within their respective corporate powers ; (c) they have been duly authorised by all corporate actions ; (d) in entering into this Agreement they do not contravene any law of their respective jurisdiction ; and (e) no other authorisation, approval or action by an Governmental Authority is required for the delivery and performance of this Agreement.

26. MISCELLANEOUS

26.1 Each of the parties acknowledge that if any of the provisions of this Agreement, including any sentence, clause, or part hereof, shall be deemed contrary to law or invalid or unenforceable in any respect by a court of competent jurisdiction, the remaining provisions shall not be affected, but shall remain in full force and effect, and any invalid and unenforceable provisions shall be deemed, without further action on the part of the parties hereto, modified, amended, and limited to the extent necessary to render the same valid and unenforceable.

26.2 All parties acting as signatories are expressly authorised to sign and act in such capacity, and have read, understood, and hereby accept all of the terms and conditions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement today theth day of 2000.

FOR FIRST PARTY

Nationality:
Passport No.:

Witness

Name
Address
Nationality
Passport No.:

FOR SECOND PARTY

Nationality :
Passport No:

Witness

Name
Address
Nationality
Passport No: