

Terms and Conditions

Please confirm the acceptance of the terms & conditions of the JV transaction before the lender proceeds to review and going forward.

Lender will require proof of funds (POF) for 10% of the total project value to confirm the capability of the investor.

Once lender have done their Due Diligences (DD) on the project and are convinced that the project is feasible and the exits are reasonable, they will provide a Memorandum of Understanding (MOU) which will then be followed by an agreement that needs to be signed by the investor and funder.

Once the agreement is signed, the investor will deposit 10% of the full project amount into an escrow account together with a conditional agreement.

The funds in the escrow account will only be released into funder bank account/Nominee (which coordinates will be provided in the agreement) once the investor JV bank account has received clear funds and the escrow agent/Solicitor has verified the funds in the JV company's bank account, only then the escrow agent will release the escrow deposited amount to my bank account/nominee.

Parallel in depositing the 10% into an escrow account, within 3 days after signing the contract the investor is required to transfer £300,000 out of the 10% (this is the initial commitment cost) into funder designated bank account to initiate the transaction. In an unlikely situation, should the funding not be arranged within the agreed time frame as explained above, this amount will be returned back to the investor immediately together with the balance of 10%.

There will be a Special Purpose Vehicles (SPV) company formed for every project and a bank account (both off shore) with 2 signatories (Funder and the investor). The project funding will be deposited into the offshore bank account however, a local company could be formed with a local bank account in order to process all payments, documentations and to act as an arm for the holding company (Mainly for Tax efficiency).

All setting up costs (Legal, Companies, Travelling, etc.) are paid by the investor and will be reimbursed once the clear funds are in the bank account (by way of invoicing as expenses).

The funding can be in place within 3 months (but usually within 6 weeks) from the time the 10% is deposited with an escrow agent and the £300,000 clear funds are in funder designated bank. However, funder always request a 3-month period in case of any unexpected situations arises.

The term of the loan will be for 5 years as It is expected from the project to have an exit that is based on 5 years. However, should it be necessary to extend the redemption period for a longer term funder can always try to negotiate an extension.

In all projects lender take 50% equity with NO buy back option.

Although lender is funding projects 100%, taking all financial risks, and have full exposure, we offer 50% equity because lender want to be viewed as partners and not just as a financing option.

It is also important that the JV partner/s should have clear experience and knowledge in similar industries to give us a comfort level and prove their capabilities to undertake the project and perform according to our expectations.

Funder will not interfere on the day-to-day activities of the project, but funder will need to be briefed every month or so. Funder must sign off on all payments coming out of the main account. Furthermore, there will be two signatures required for all funds transferred or paid out of the holding bank account.

To summarize:

1. One pager on the project/Executive briefing (please no big files),
2. POF 10% of the total funding/financing requirement,
3. 10% to be placed with an escrow agent/bank/Solicitor (reputable) within 3 days of signing the JV agreement,
4. £300K to be transferred to funder bank account/Nominee account within 3 days after signing the agreement. This is the initial banking cost (application, swifts, fees,...) to arrange the funds,
5. Investor is required to form an off shore company and a bank account with 50/50 share between funder and the investor,
6. The minimum time for arranging 100% of the total funding/financing will be 6 weeks with maximum period of 3 months,
7. The 10% escrow amount must be released into my bank account upon clear funds showing in the JV bank account which will be used for the project,
8. The project must have all planning consents/permits/licenses in place so that the project can commence immediately once finance fund is in place.
9. The funding will come directly from funder's bank account. Funder will take the first charge on all assets until the loan is paid back in full. Once the Debt is paid back in full then the investor will have clear 50% equity of the JV Company and its assets.
10. The investor has an obligation to do his best to protect the interest of the JV company and to obtain the best bids, costs and services to complete the project/s.
11. The investor should not have any side agreements with any subcontractors, suppliers and any other service providers other than to negotiate to his/her best ability for the interest of the JV company.

Funder eventually require a full presentation and supporting documentation for the project before the funding is in place.