<u>BOND PROGRAM – MOST FREQUENTLY ASKED QUESTIONS</u>

1.) How many bond deals have the bond company completed?
Answer: Approximately forty five.

2.) In dollars how much volume has the bond company completed?
Answer: Approximately Fifteen Billion Dollars.

3.) How long will it take to complete a program?
Answer: Thirty to Forty Five Days.

4.) What are the <u>Minimum</u> and <u>Maximum</u> amounts?
Answer: $100 M to $ Billions.

5.) What if we only need Ten or Twenty Million Dollars?
Answer: You complete a $100 Million program and only use what you need...Ten or Twenty Million. You can use the balance for other projects.

6) What is the total cost to complete a program?
Answer: $ One Hundred Million program will cost $125,000.00 (U.S. Dollars) plus 5% of the bonds. (does not include ECFG LLC 3% on any of the bonds. The 5% is in addition to the 3% ECFG LLC receives) $ Five Hundred Million program will cost $175,000.00 plus 5% of the bonds. $ One Billion program will cost $225,000 plus 5% of the bonds. Prices are subject to change. These prices do not include the price of the insurance.

7.) How is payment made?
Answer: Once you decide to move forward at the contract signing you advance 50% of fee. When the bonds are swifted into your bank account the second payment is due plus the transfer fee.

8.) What is needed to quality?
Answer:
a.) A Legal Project
b.) Have the funds to pay for the program
c.) Have a business plan

9.) Are the Bonds rated?
Answer: No but the insurance companies insuring the bonds are A rated or better.

10.) How are the bonds issued?

Answer: In $100,000 denominations.

11.) How do we receive the bonds?
Answer: They are swifted into your bank from the trustee bank.

12.) What do we do with the bonds in our bank account?
Answer: Your bank statement will verify that you or your company has "x" amount of bonds on account and they can then be used to secure funding.

13.) What if we do not get enough bonds?
Answer: You can always buy more bonds.

14.) Can the bonds be verified?
Answer: Yes, they are listed on Euro Clear.

15.) What is Euro Clear?
Answer: It is an internet service used by the banking industry.

16.) Who owns the insurance policies?
Answer: The investors own the policies and pledge them on your behalf to guarantee the payment of the interest and principal of your debt.

17.) How much does the insurance cost?
Answer: 30% of the amount of the bonds being used.

> **Example – For a $200 million bond program the insurance cost is 30% of the amount of the bonds or $60 Million. The $60 Million is paid from the proceeds of the loan at closing. Remember, when the insurance guaranteeing the bonds mature in ten years you will receive all of your funds back.**

18.) When are the owners of the policies paid for pledging the policies?
Answer: It is a simultaneous transaction at closing.

19.) Will we have to sign personal guarantees for the funding?
Answer: ABSOLUTELY NOT! You are pledging a worthy project plus insurance & bonds.

20.) Does the bond company or ECFG LLC become a joint venture partner?
Answer: NO. We are not interested in becoming a partner in any project; we are only interested in supplying the necessary equity for our clients to complete their projects.

21.) Who insures the 5% of the bonds that were paid to the bond company?
Answer: the bond company is responsible to purchase the insurance.

22.) Can we depend on the bond company for follow up support?
Answer: Yes, we will back you up 100%. We will even communicate with any of the agencies you are working with concerning your funding.

23.) Can you refer us to a bank?
Answer: No, but we will introduce you to an associate in London who will assist you in opening an account with a major bank and has the relationships to assist you in obtaining a loan. You will enter into an agreement with him and pay him directly for his services.

24.) Does this program have a name?
Answer: Yes, it is a 144A corporate Bond Program.

25.) How can I learn more about a 144A bond program?
Answer: Via the internet, do a search for 144a bond program.

26.) Can we do this in the U.S.A.?
Answer: Yes, you can go to a security house to do a 144A bond program. It will cost approximately One Million Dollars or more and they will need at least a year to complete the program for you.

27.) What size insurance policies are used to insure the bonds?
Answer: Usually $ Five Million to $10 Million.

28) What purpose do the insurance policies serve?
Answer: They absolutely guarantee payment of the principal and interest to the lender.

29.) Who issues the policies?
Answer: Only insurance companies that are rated A or better.

The following is a partial list of companies that will be guaranteeing the policies:

Hartford	**A**	**Jefferson Pilot**	**A+**
Pacific Life	**A++**	**AXA**	**A+**
U.S. Life	**A++**	**ING Reliastar**	**A+**
Sun Life	**A++**	**Transamerican**	**A++**
Mass Mutual	**A++**	**Security Mutual**	**A**

30.) When do the bonds mature?
Answer: They mature in ten years.

31.) When will the policies mature?
Answer: The policies selected for this program are under written to mature in ten years or less.

32.) How do we know the policies will be pledged on our behalf?
Answer: There is a section in the bond prospectus that contains a pledge agreement which details how you can be assured that the policies will be pledged.

33.) What can we expect at the end of the ten years?
Answer: You can expect that the insurance policies will mature and pay the principal balance due to either the lender or the bond holders providing you have made all interest payments.

34.) What if the interest payments are not made?
Answer: A lien will be entered on the project on behalf of the policy owners.

35.) Do you have policies available for immediate placement?
Answer: Yes...Billions

36.) Would the policies be available for evaluation?
Answer: Yes, when you visit the bond office office.

37.) What arrangements would be put in place to assure the policies are being maintained?
Answer: A third party administrator will be appointed.

38.) How are bonds managed re: delivery, payments, etc?
Answer: A transfer agent has to be put in place to administer the transactions.

39.) Why would the owners of the policies want to pledge the policies?
Answer: There are great financial rewards in pledging the policies.

40.) At the end of the ten year program what happens to the policies?
Answer: They mature and pay off your projects principal and you own the project free & clear.

41.) How is the lending bank informed of the policies?
Answer: All necessary documentation concerning the policies will be swifted from the <u>trust bank</u> that is holding the policies to the lending bank.

42.) What is the size of the bond offering document?
Answer: Approximately 60 pages.

43.) Why would someone sell an insurance policy?
Answer: They no longer need the policy or no longer can afford it or possibly want the cash now.

44.) How much insurance is purchased to back a loan?
Answer: Enough to pay the principal and interest.

45.) Can we buy the bonds back before the ten year period expires?
Answer: Yes, you can buy the bonds back at any time.

46.) Can the bonds be sold as opposed to using them for credit?
Answer: Yes, you can sell the bonds to raise the necessary capital.

47.) Who can we sell to?
Answer: You cannot sell to individuals but rather to Q.I.B. (Qualified Institutional Buyers).

48.) What is a Q.I.B. (qualifications)?
Answer: Security Houses, Hedge Funds, Insurance Companies, etc.

49.) Can you make referrals of Q.I.B.'s who would help us sell them?
Answer: Yes, we have a list of over one hundred Q.I.B.'s

50.) What is the difference between using the bonds for collateral at a bank and selling the bonds?
Answer: Many. As a bank loan, you only pay interest to the bank as agreed for the ten year period.

When you sell the bonds you will probably have to discount the bonds. Example: You have a $100M in bonds you will probably have to discount the bonds 30% which means you will receive $70M to fund your project. This all has to be taken into consideration beforehand and that your offering is for a sufficient amount to cover your objective. At redemption at the end of ten years, you will pay the investor back 100%. Also there will be a coupon attached to the bond that you will have to pay yearly to the investor which is usually around 6.5%. The discount plus the 6.5% would yield the investor about 11%. "Not Bad". You also have to pay 30% for the insurance.

- **REMEMBER; AT THE END OF TEN YEARS THE INSURANCE PAYS BACK TO THE LENDER THE TOTAL AMOUNT YOU BORROWED. YOU OWN THE PROJECT FREE AND CLEAR. THE UP FRONT COSTS ARE IRRELEVANT AS LONG AS YOU MAKE THE INTEREST PAYMENTS.**

51) How sure are you that we will be approved for the bond program and insurance?
Answer: After we review and approve your business plan and cash flow projections and are comfortable that you can meet your obligations; your program will be approved.

52) What has your track record been on approved deals?

Answer: The bond company has a 100% track record. On every deal that the bond company has approved, we have been successful in supplying the bonds and the insurance guarantees.