



Turks & Caicos Islands government asks for US\$85M credit line from FirstCaribbean, 28 Jan 2010

WikiLeaks release: March 15, 2010

keywords: FirstCaribbean, Turks & Caicos Islands, loan
restraint: Commercial confidence
title: INDICATIVE TERM SHEET; GOVERNMENT OF THE TURKS & CAICOS ISLAND; FINANCING OF UP TO US\$85 MILLION
date: January 28, 2010
group: FirstCaribbean
author: FirstCaribbean
link: <http://wikileaks.org/file/turks-loan.pdf>
pages: 7

Description

By Julian Assange (julian@wikileaks.org)

Quote for a US\$85 million line of credit from FirstCaribbean to the government of the Turks & Caicos Islands. The loan is to be used for refinancing existing liabilities held by FirstCaribbean & Citibank (\$26M), reduce an overdraft facility (\$15M), cash reserves (US\$10M), pay creditors \$(US\$33M) and "transactions costs". This intern TCI Government is controlled by the Consultative Forum. Our source states that four members demanded access to this document but were denied access to it.

WikiLeaks

wikileaks.org

INDICATIVE TERM SHEET

GOVERNMENT OF THE TURKS & CAICOS ISLAND

FINANCING OF UP TO US\$85 MILLION

This indicative term sheet is to be used for discussion purposes and must not be construed as an offer or firm proposal by FirstCaribbean International Bank Limited or any of its subsidiaries ("FirstCaribbean") to provide any financing or any other services. The transaction outlined in this indicative term sheet is indicative only of what FirstCaribbean may be prepared to consider and does not constitute and must not be construed to be a commitment by FirstCaribbean or any of its subsidiaries. The terms and conditions outlined in this indicative term sheet is not a comprehensive set of terms and conditions and such terms and conditions will constitute part of the final documentation. A commitment may only be given after full internal credit and other approvals by the FirstCaribbean shall have been obtained and such commitment would then be subject to any other legal and/or regulatory requirements and/or approvals, which FirstCaribbean may deem necessary. The ultimate decision to proceed with the transaction described in this indicative term sheet rests solely with FirstCaribbean. The delivery of a commitment would also be subject to due diligence on all aspects of the transaction by FirstCaribbean.

Arranger:	FirstCaribbean International Bank (Bahamas) Limited and or any of its affiliates ("FirstCaribbean")
Borrower:	Government of the Turks & Cacios Island ("the Government")
Lenders:	Banks and financial institutions acceptable to the Arranger and the Borrower.
Syndication:	The Arranger has the option to create certificates of participation and distribute these certificates at anytime
Administrative Agent:	FirstCaribbean
Use of Proceeds:	The proceeds shall be used as follows: <ul style="list-style-type: none">i) To refinance existing liabilities with FirstCaribbean and Citibank totalling approximately US\$26.0 millionii) To reduce the Government's overdraft facility with FirstCaribbean by US\$15 MN.iii) Establish cash reserves of US\$10.0 millioniv) To pay legacy creditors outstanding debt totalling approximately US\$33.0 millionv) To pay all transaction costs associated with this Facility.
Facility:	Syndicated Loan and/or Bond. Final form of the Facility to be determined by the Arranger and Borrower based on market feedback.
Currency:	United States Dollars (US\$)
Facility Amount:	Up to a maximum of US\$ 85.0 Million United States Dollars

Basis: Best Efforts

Availability: Upon satisfaction of all Conditions Precedent.

Drawn downs: Requests for draw downs will be made to the Administrative Agent with a notice period of 5 business days in minimum amounts of US\$10,000,000.

Tenor: 5-years

Interest Rate: Floating at 3-month Libor + 500 bps. Current indicative 5.2543% this margin would be for the initial 2 years

The rate is subject to re-pricing on the 2nd anniversary of the facility. In the event that the re-pricing leads to a re-financing then FirstCaribbean International Bank will be mandated to lead such re-financing.

Interest Payment: Interest will be paid on a quarterly basis calculated in arrears and based on an actual/360 days basis

Principal Repayment: Nineteen equal quarterly payments of U\$1,275,000 such that a balloon of U\$60,775,000 will be paid at maturity. Please see the amortization schedule below.

Period	PMT	Amortization
1	1,275,000	1.50%
2	1,275,000	1.50%
3	1,275,000	1.50%
4	1,275,000	1.50%
5	1,275,000	1.50%
6	1,275,000	1.50%
7	1,275,000	1.50%
8	1,275,000	1.50%
9	1,275,000	1.50%
10	1,275,000	1.50%
11	1,275,000	1.50%
12	1,275,000	1.50%
13	1,275,000	1.50%
14	1,275,000	1.50%
15	1,275,000	1.50%
16	1,275,000	1.50%

17	1,275,000	1.50%
18	1,275,000	1.50%
19	1,275,000	1.50%
20	60,775,000	71.50%
Total	85,000,000	100.00%

Prepayment: The Facility may be prepaid on an interest payment date provided that the Borrower gives 30 days notice. Any penalty charges will be based on market feedback.

Administrative Fee: TBD

Conditions Precedent: Usual and customary for this type of transaction, including but not limited to:

- Representations and Warranties true and correct;
- No Event of Default.
- All regulatory approvals and legal consents are obtained and are in full force and effect.
- The successful preparation, negotiation and execution of all necessary legal documentation to the Arranger's satisfaction;
- Approval by the necessary authority of the establishment of an Escrow Account at FirstCaribbean and the payment of Telecommunication Tax & License Fees on a monthly basis, in to said account, such that the cumulative annual payment is no less than the annual debt servicing requirement;
- the absence, in the Arranger's opinion, of any material adverse change in the financial, economic and political environment in The Turks & Caicos;
- Legal opinions in form and substance satisfactory to the Arranger, including the opinion of the Attorney General;
- Legal counsel to confirm that all regulatory approvals are in place prior to draw down by the Borrower;

Security: i) The Telecommunications Taxes & License Fees collected by the Government will be assigned to service the debt. The revenue flows from these taxes and fees will be held in an Escrow Account to be established at FirstCaribbean. Should there be a shortfall in the level of

Tax and Fees then sufficient additional revenues will be hypothecated to bring the level up to an amount no less than the debt service cost.

ii) A charge over the consolidation fund

iii) An amount of US\$1,000,000.00 to be held in a cash reserve account upon closing to be used for debt servicing.

Please see the projected debt serving schedule below with assumptions.

Assumptions

1. Six months Libor increase by 0.5% per annum, indicative 5.25%
2. Quarterly telecom revenue is flat at US\$2.44MM
3. Initial deposit of US\$1MM from Cash reserve to cushion LIBOR spike

Period	Debt Servicing (PMT + INT)	Quarterly Revenue Flows	Quarterly Surplus/Deficit	Accumulative Surplus/Deficit	Debt Service cover
0		1,000,000			
1	2,390,625	2,443,242	1,052,617	1,052,617	1.44
2	2,373,891	2,443,242	1,069,351	1,121,968	1.47
3	2,357,156	2,443,242	1,086,086	1,208,054	1.51
4	2,340,422	2,443,242	1,102,820	1,310,874	1.56
5	2,423,563	2,443,242	1,019,680	1,330,554	1.55
6	2,405,234	2,443,242	1,038,008	1,368,561	1.57
7	2,386,906	2,443,242	1,056,336	1,424,897	1.60
8	2,368,578	2,443,242	1,074,664	1,499,561	1.63
9	2,443,750	2,443,242	999,492	1,499,053	1.61
10	2,423,828	2,443,242	1,019,414	1,518,467	1.63
11	2,403,906	2,443,242	1,039,336	1,557,803	1.65
12	2,383,984	2,443,242	1,059,258	1,617,060	1.68
13	2,451,188	2,443,242	992,055	1,609,115	1.66
14	2,429,672	2,443,242	1,013,570	1,622,685	1.67
15	2,408,156	2,443,242	1,035,086	1,657,771	1.69
16	2,386,641	2,443,242	1,056,601	1,714,372	1.72
17	2,445,875	2,443,242	997,367	1,711,739	1.70
18	2,422,766	2,443,242	1,020,476	1,732,215	1.71
19	2,399,656	2,443,242	1,043,586	1,775,801	1.74
20	61,876,547	2,443,242			

Affirmative Covenants: Usual and customary for a transaction of this nature including but not limited to the following:

- (i) payment of sums when due;
- (ii) compliance with laws;
- (iii) advise of litigation;
- (iv) notice of default or material adverse change;
- (v) use of proceeds;
- (vi) waiver of sovereign immunity;
- (vii) submission of annual fiscal budget.

Negative Covenants: Usual and customary for a transaction of this nature.

**Representations
& Warranties:**

Borrower is deemed to give standard representation and warranties customary to facilities of this nature including but not limited to the following:

- (i) power and authority, and due authorization of transaction documents;
- (ii) no further approval or authorization from any authority or regulatory body required;
- (iii) Facility documentation is the direct, unconditional and general obligation of the Borrower;
- (iv) no immunity from jurisdiction or legal process;
- (v) confirming that no material adverse change has occurred or is likely to occur;
- (vi) no Default or Event of Default;
- (vii) enforceability of Facility documentation;
- (viii) full disclosure and accuracy and completeness of information supplied.

Events of Default: Usual and customary for facilities of this nature including but not limited to the following:

- (i) non-payment of principal;
- (ii) non-payment of interest, fees or other amounts;
- (iii) breach of covenants;
- (iv) failure to make payment, or cross-acceleration, of any indebtedness;
- (v) representations and warranties materially inaccurate when made;
- (vi) invalidity of Facility documentation;
- (vii) moratorium on payment of indebtedness.

Costs/Expenses: Borrower will pay all Arranger's reasonable professional and other expenses incurred in connection with negotiation,

preparation, printing, execution, syndication, enforcement and any amendment of the finance documents, whether or not financial close is achieved. Borrower will also pay all legal fees up to an agreed cap approved by the Borrower.

Taxes: All payments are to be made free and clear of withholding taxes or grossed up where appropriate.

Yield Protection: Financing documentation to include customary provisions protecting the Lenders against increased costs or loss of yield resulting from changes in reserve, tax, capital adequacy and other requirements of law and from the imposition of or changes in withholding or other taxes.

Adverse Market Conditions: In the event of an adverse market condition, the Lenders reserve the right to change the terms or pricing of this financing if it is determined that such changes would be advisable and necessary.

Right of First Refusal: The Arranger will have the right of first refusal and the right to match any other offer to arrange and execute with the Borrower:

- 1) any foreign exchange transaction with respect to this Facility
- 2) any interest rate, currency rate, or other debt related derivative program(s) in connection with this Facility.
- 3) any refinancing of this facility

These will be subject to terms and conditions mutually acceptable to the Borrower and the Arranger.

Market Flex: Before financial close, the Arranger shall be entitled to change the pricing, structure and other indicative terms and conditions of this Facility if, having regard to the then prevailing conditions in the domestic, regional and/or international financial markets, the Arranger determines that such changes are advisable in order to ensure a successful placement. In particular, the Arranger reserves the right to revise its indicative terms and conditions if, prior to financial close of the Facility, the Government, or any Government owned entity engages the financial market to raise capital at terms the Arranger deems to be more favourable.

Money Laundering: Money Laundering Legislations requires that FirstCaribbean verify the source of funds before accepting deposits or processing transactions and must report unusual transactions to the relevant authorities. Consent is hereby

deemed to be given by the Borrower to the Arranger to disclose this information to money laundering prevention and control officers within FirstCaribbean, for the purpose of ensuring FirstCaribbean complies with money laundering legislations. The Borrower will indemnify FirstCaribbean for its out of pocket expenses, including reasonable legal fees and court costs for any legislations. The Borrower will indemnify potential investigation under applicable money laundering legislations regarding FirstCaribbean's accounts, including but not limited to seeking direction from a court of competent jurisdiction on FirstCaribbean's rights and obligations in such matters.

Governing Law:

Laws of the Turks & Caicos



WikiLeaks & The Sunshine Press

<http://sunshinepress.org/>

The document you have been reading was passed to us by an individual stepping forward to reveal the truth or preserve the integrity of the historical record. WikiLeaks is acknowledged to be the most successful defender of confidential sources and the public's right to know. If you have confidential material, contact us securely at:

<https://secure.wikileaks.org/>

Our publisher, The Sunshine Press, is an international non-profit organization funded by human rights campaigners, investigative journalists, technologists, lawyers and the general public. Since 2007 we have exposed thousands of military, political and corporate abuses—fighting off over 100 legal attacks to do so. No WikiLeaks' source has ever been exposed and the organization has yet to lose a legal case. Our disclosures have triggered many reforms, including the removal of two corrupt national governments. We have found that knowledge is suppressed because of its power to change and that only new knowledge brings meaningful change. Ultimately, the quality of every political, economic and personal decision depends on understanding the world and how it came to be that way. By revealing the true state of our world, through millions of pages of suppressed information, we are creating the primary ingredient for a better civilization. Although our work has won many awards, it is your strong support that preserves our continued independence and strength.

WikiLeaks

wikileaks.org