

**TERM SHEET FOR
CERTAIN SUPPLEMENTAL AGREEMENTS**

This term sheet (this “*Term Sheet*”) confirms the mutual intentions of the Millennium Challenge Corporation, a United States Government corporation (“*MCC*”), the Technical Secretariat of the Presidency (the “*Technical Secretariat*”), on behalf of the Government of the Republic of Nicaragua (the “*Government*”), and *Fundación Reto del Milenio - Nicaragua*, a not-for-profit foundation established under Nicaraguan law through *Decreto Legislativo* No. 4452, published in the official gazette, *La Gaceta*, on January 4, 2006 (“*MCA-Nicaragua*”), regarding certain key terms and conditions to be included in certain Supplemental Agreements that will be executed in furtherance of the Millennium Challenge Compact by and between MCC and the Government dated July 14, 2005 (the “*Compact*”), which Supplemental Agreements shall be executed and delivered to MCC as provided in the Compact or as otherwise agreed by the Parties.

Except as otherwise provided in the Compact or any Supplemental Agreement between the Parties executed and effective as of this date, this Term Sheet supersedes all prior correspondence, understandings, communications between the Parties with respect to the matters contemplated by this Term Sheet. Capitalized terms that are used but not defined herein shall have the meaning given such terms in the Compact. The Parties shall engage in good faith negotiations with each other and with applicable third parties to reach timely agreement with respect to each of the Agreements.

1. Governance Agreement.

The Governance Agreement shall be entered into by and among MCC, the Technical Secretariat and MCA-Nicaragua and shall be executed in the form attached hereto as Exhibit A.

2. Grant Agreement.

The Designation and Grant Agreement shall be entered into by and among the Technical Secretariat, MCA-Nicaragua and MCC and shall be executed in the form attached hereto as Exhibit B.

3. Fiscal Agent Agreement.

The Fiscal Agent Agreement shall be entered into by and between MCA-Nicaragua and the Louis Berger Group, Inc., (the “Fiscal Agent”), and shall be executed in substantially the form, and on substantially the terms, of the draft of the Fiscal Agent Agreement attached hereto as Exhibit C.

4. Bank Agreement.

The Bank Agreement shall be entered into by and among MCA-Nicaragua, the Louis Berger Group, Inc., in its capacity as the Fiscal Agent and the financial institution appointed to act as the Bank, and shall be executed in substantially the form, and on substantially the terms, of the form of Bank Agreement attached hereto as Exhibit D.

5. Miscellaneous.

(a) Non-Binding. The respective parties to the above-referenced Supplemental Agreements shall not be bound by their terms until with respect to each Agreement a definitive agreement is executed and delivered by the applicable parties.

(b) Signatures. This Term Sheet may be executed in multiple counterparts, each of which shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

(c) English Language. This Term Sheet is prepared and executed in English and in the event of any ambiguity or conflict between this official English version and any other version translated into any language for the convenience of the Parties, this official English version shall prevail.

SIGNATURE PAGE BEGINS ON THE NEXT PAGE.

Agreed this _____ day of _____, 2006

MILLENNIUM CHALLENGE CORPORATION

By: _____
Name: John Hewko
Title: Vice President of Operations

THE TECHNICAL SECRETARIAT OF THE PRESIDENCY, ON BEHALF OF THE
GOVERNMENT OF THE REPUBLIC OF NICARAGUA

By: _____
Name: Dr. Carlos Guillermo Sequeira
Title: Secretary

FUNDACIÓN RETO DEL MILENIO - NICARAGUA

By: _____
Name: _____
Title: _____

**EXHIBIT A TO TERM SHEET FOR CERTAIN
SUPPLEMENTAL AGREEMENTS
GOVERNANCE AGREEMENT**

**EXHIBIT B TO TERM SHEET FOR CERTAIN
SUPPLEMENTAL AGREEMENTS
DESIGNATION AND GRANT AGREEMENT**

**EXHIBIT C TO TERM SHEET FOR CERTAIN
SUPPLEMENTAL AGREEMENTS**

FISCAL AGENT AGREEMENT

**EXHIBIT D TO TERM SHEET FOR CERTAIN
SUPPLEMENTAL AGREEMENTS**

BANK AGREEMENT