

Environmental Solutions Worldwide, Inc.
Bridge Debt Financing Facility
Term Sheet

For discussion purposes only

- Borrower:** Environmental Solutions Worldwide, Inc. (the “Borrower”).
- Lenders:** Certain of the following shareholders of the Borrower will be participating: Black Family 1997 Trust; Leon D. Black; Leon D. Black Trust UAD 11/30/92 FBO Joshua Black; Leon D. Black Trust UAD 11/30/92 FBO Benjamin Black; Leon D. Black Trust UAD 11/30/92 FBO Victoria Black; Leon D. Black Trust UAD 11/30/92 FBO Alexander Black; John Hannan; Orchard Investments, LLC; and Richard Ressler.
- Bridge Debt Facility;
Additional Borrowings:** Unsecured loan of \$3,000,000 that is subordinated to the Borrower’s existing revolving credit facility with CIBC (the “CIBC Facility”). The Borrower, CIBC and the Lenders will enter into a customary agreement providing for such subordination.
- Interest Rate and
Maturity:** 10% per annum, payable in kind on a monthly basis. The principal balance shall mature and become payable on the 4 month anniversary of the closing of the Bridge Debt Facility; provided that at the election of the Lenders the Borrower shall not be permitted to pay the outstanding balance of the Bridge Notes (as defined below) if the rights offering described below has not closed. The Lenders may, at their sole option, extend the maturity of the Bridge Debt Facility.
- No Prepayment Right;
Equity Exchange Rights:** The Borrower may not pre-pay the Bridge Debt Facility prior to its maturity date without the prior consent of the Lenders; provided that at the election of the Lenders the Borrower shall also not be permitted to pay the outstanding balance of the Bridge Notes if the rights offering described below has not closed.
- If, prior to the full payment of the outstanding balance under the Bridge Notes, the Borrower effects a registered offering of its common equity (including pursuant to a rights offering) within 4 months of the closing of the Bridge Debt Facility, the holders of the outstanding Bridge Notes shall exchange their outstanding Bridge Notes in a subscription for such equity or equity rights as payment by the Lenders of the subscription price therefor.
- At any time after such 4 month anniversary, the Lenders shall have the right and option (but not the obligation) to exchange any then-outstanding Bridge Notes in a subscription for any equity financing of the Borrower (as payment by the participating Lenders of the subscription price therefor).
- Use of Proceeds:** Funding of working capital, planned capital investments and other general corporate purposes.

Expenses: The reasonable legal expenses of the Lenders relating to Borrower matters, including, without limitation, all legal fees incurred prior to the date hereof, the Bridge Debt Facility and the contemplated conversion of the Bridge Notes, shall be paid by the Borrower.

Governing Law: New York.

Closing: On or about February 14, 2011.