

Global Development Group Limited

The Terraces Spa Resort, St Lucia

Development land on the Caribbean Island of St Lucia

10 months expected duration of investment

Return of 48% in a year

Security equal to twice the funds invested

The Terraces Spa Resort St Lucia, Caribbean

The Global Development Group has sourced and has purchased 21 acres of land, overlooking the Atlantic on the north-east coast of St Lucia, one of the Windward Islands in the Caribbean. Global Development Group invites Investors to acquire rights over the Property, funding the early stages in the process of creating a luxurious apartment hotel and spa resort, with the expectation that the Global Development Group will buy out those rights at a high premium.

Property

Location

St Lucia is well-known as one of the most beautiful islands in the Caribbean. Only 27 miles long and 14 miles wide, its two mountains rise 2000 feet from the sea, sheltering tropical rainforests rich in wildlife. For tourists there is hiking and bird-watching, as well as the more traditional pursuits, such as golf, tennis, scuba-diving and sailing. The island is also famous its Creole cuisine.

St Lucia has a stable political system based on the Westminster model, with the Queen as head of state. Crime is minimal. Tourism accounts for about half GDP, and is growing at about 5% per annum. Other sources of income include offshore banking, small-scale manufacturing, and agriculture, including bananas, coconuts, mangos and papaya. Well-informed investors are convinced that its future as a tourist magnet is secure, since several major resort and hotel projects are currently being planned, with the encouragement of the government.

Land

Global Development Group has purchased an enchanting stretch of land overlooking the Atlantic Ocean. Covering 21 acres, it is situated in the northern sector of the island, Gros Islet, within the exclusive Cap Estate.

The area is known for the low density and high quality of its development. The famous Cas En Bas Beach and St Lucia Golf and Country Club are just five minutes drive away; and the calm beaches of the west coast are just four miles away.

Purchase and permission

Global Development Group has formed a Local Company, called Global Development (St Lucia) Ltd (Company no. 2007/CO77) to acquire and develop the Property. On 17 March 2007 the Local Company bought an option to purchase the land at US\$4.75.

A year later on 19 March 2008 it obtained outline planning permission for an apartment hotel spa resort.

The purchase of the land was completed on 3rd September 2008 and it is anticipated that full planning permission will be obtained in early 2009.

Development and marketing

The project is large, so construction will be carried out in three phases over five years, starting in early 2009. As each phase is completed, it will become operational; and construction of later phases will be planned carefully to cause little or no disturbance. Marketing of the apartments will go hand-in-hand with construction, so the first off-plan sales will also be in 2009.

There is every reason to assume that the apartments will sell rapidly. The Ca En Bas area of St Lucia is regarded as highly desirable, with well-designed luxury developments complementing its natural beauty. The resort to be developed by Global Development Group will be designed and built to the highest specifications, and will provide first-class facilities, including spa treatments, as well as landscaped gardens.

Land value

On confirmation of outline planning permission, Giselle M Casimer, a internationally-renowned valuer, visited the site, and valued the land at US\$15.5 million. This is over three times the purchase price paid by Global Development (St Lucia) Ltd – showing an immediate profit of almost US\$10.75 million.

A further valuation carried out by Giselle M Casimer on 31st July 2008 valued the site with full permission at \$30.74 million.

MacLellan & Associates have projected the value of the resort after development at US\$136.9 million.

The Team

To create this luxury resort, Global Development Group has put together an experienced team of international experts :-

- MacLellan & Associates - superb creators of master plans for resort developments
- Mazars - experts in international finance and tax
- Thompson Cole - project managers with experience across the world
- Denton Corker Marshall - award-winning architects.

Returns

Investor Company

The Investors will form their Investor Company that will be the vehicle through which they acquire the Property; and Investors will hold Shares in proportion to the value of their Contributions. The Investor Company will be offshore to ensure it is not liable for corporate taxes; and Powerscourt Services Ltd, experts in offshore property investment, will register it and assist its administration. From the Investors' Contributions, the Investor Company will retain approximately 3.6% to cover its own costs and as working capital. Thus 96.4% of the Investors' Contributions will comprise the Funds paid for the Property.

Purchase of Property

The Global Development Group has set up a Local Company, Global Development (St Lucia) Ltd, as the vehicle of purchase and development. The Investor Company will acquire from the Local Company the Right to sale proceeds of the Property.

The total amount raised from Investor Companies may not exceed half the value of the Property, as determined by the expert valuer; so, if the Property is sold, there should be ample proceeds to pay Investors.

4% monthly premium – 48% per year

The Local Company will have the Option at any time up 31st July 2009 to buy out the Investor Company's Right for the amount of the Funds provided by Investor Company, plus a Premium of 4% per month, calculated on a daily basis, from the time when the Investor Company provides the Funds. This is equivalent to an annual Premium of 48%.

Length of investment

In the event of unforeseen delays beyond its control, the Local Company may extend the exercise of its Option until 31st December 2009. In this event the Premium will continue to increase by 4% per month. Also, if the Local Company wishes to exercise the Option prior to 31st July 2009, it must give three months' notice.

Sale of Property

If the Local Company does not exercise the Option by 31st December 2009, it will be obliged within six months to sell the Property on the open market, and remit to the Investor Company the Funds plus the Premium at 4% per month up to the date of the sale proceeds being remitted. If there is a shortfall, Global will seek to enable

Investors to reassign this shortfall to other properties.

Exercising the Option

Global Development Group's intention is that the Local Company should exercise its Option. Once detailed planning consent has been obtained, Global Development Group can raise loans from financial institutions on competitive terms.

Since the Property with planning consent is worth much more than the Funds provided by the Investor Company, there should be ample institutional money to buy out the Investor Company's Right in accordance with the Premiums.

Full payment

As and when the Investor Company receives the returns, it will remit them in full to Investors in proportion to their Contributions.

Tax

Corporate taxes

The form of the Investor Company is a Limited Liability Company, registered under the Wyoming Limited Liability Company Act 1977. Under this Act the company is fiscally transparent, meaning that it pays no corporate taxes in USA. Since the company is managed and controlled offshore, it pays no corporate taxes anywhere.

Capital taxes

Investors resident and domiciled in the UK or the Republic of Ireland will be liable for Capital Gains Tax (CGT) on the difference between the money invested and the returns. There is an annual threshold of capital gains (as of May 2008, £9,600 in UK, €1,270 in Ireland) below which there is no CGT; this is doubled where couples invest jointly. Above this the rate is 18% in UK and 20% in Ireland.

Offshore arrangements

Investors can have their returns remitted wherever they wish. Those with suitable offshore arrangements may not be liable to personal taxes.

General information

The above information about tax is general, and not personal. No liability is accepted for the consequences of actions influenced by it. Moreover, it should be noted that tax rates and rules may change.

Risks

Planning

Global has an experienced, professional team on-island which has a highly successful track record in negotiating planning permissions.

However there is always a risk that full planning permission will not be granted, although this appears highly unlikely. There is also the possibility that it might be delayed, either for administrative reasons or because the planning authorities require changes to the plans.

Financing

The project depends on development capital being obtained from financial institutions. In the current conditions financial institutions are more cautious in their lending. Nonetheless good projects with adequate security continue to attract funds; and Global's experience indicates that this fulfils all the necessary criteria. Indeed, the risks to the financial institutions are minimized since they will only be funding construction of villas and apartments that have already been sold off-plan; and this in turn maximizes the prospect of obtaining development capital.

Costs

There is a risk of unforeseen costs associated with the site and with construction. However, Global has taken every step to minimize this risk by engaging international experts to survey and value the site.

Sales

In the current market the biggest risks arise from selling the Property, forcing the Local Company either to reduce prices or wait longer for sales. This would lead to either lower eventual profits or delayed profits. However the property market in St Lucia has remained relatively buoyant as a result of government initiatives.

Reassignment

Global Development Group offsets the risks of the Investor by offering, where planning consent is refused or delayed, to meet any shortfall in returns by conferring on Investors the right of reassignment of that shortfall to other properties at no cost to the Investor. Global Development Group recognises that its own future rests on retaining the goodwill of Investors, and it is for this reason that it makes this offer.

Force Majeure

Global shall not be liable for any failure to perform its obligations where such failure is as a result of Acts of Nature (including fire, flood, earthquake, storm, hurricane or other natural disaster), war, invasion, act of foreign enemies, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation, terrorist activities, nationalisation, government sanction,

blockage, embargo, labour dispute, strike, lockout or interruption or failure of electricity.

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