

Limited 16% Discounts

Massive
56%
Annual Rental
Yields

Another Exclusive:

**Invest In Massive Yielding Property
In The USA's Largest Oilfield
With Massive 56% Annual Rental Returns**

- Huge projected rental yields of 56% per year
- Hands free, passive, high income opportunity
- Limited promotion to save 16% off normal price - just \$39,500 (instead of \$47,000)
- Optional 4 year rental guarantee at 25% NET per year
- Massive rental demand - 15,000 oil workers, and rising without suitable accommodation
- Rental income supported by the largest oil companies in the world including Exxon Mobile, Chevron and Halliburton

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Investment Summary—A Unique Opportunity

The world we live in continues to be dictated by the supply and demand for commodities and there are few commodities that are more important in the world than oil.

As the world's largest consumer of oil, the USA is in an incredibly fortunate position to have discovered one of the largest oilfields ever, known as the Bakken Formation in North Dakota and it is all over the news; BBC, CNN and Time magazine to name but a few have covered this story.

This is new, current and causing waves across the USA as engineers, oil workers, and labourers flood to the area in search of jobs and opportunities, where even manual labourers are paid as much as \$150 / hour. Of course it goes without saying that the large oil companies such as Exxon Mobil, Chevron and Halliburton are already involved heavily.

However currently due to the extremely new opportunity and remote location of the Bakken Formation oil fields in North Dakota, USA, there is currently an incredible shortage of accommodation for 15,000 of these oil workers which means that thousands are having to sleep in tents or else sleep in their cars in sub zero temperatures.

This is where we come in! By offering low cost, technologically advanced and high end mini hotels this provides a high quality accommodation option where the rental income is supported by some of the largest oil companies in the world.



Investment Highlights

- ✓ Massive annual rental returns year on year of up to 56% OR 4 year NET rental guarantee at 25%
- ✓ 15,000 oil workers with no accommodation and rising!
- ✓ Fully managed, 'hands free' and passive investment
- ✓ Rental income supported by multinational oil companies
- ✓ Realistic occupancy rates of 90%+
- ✓ Fabrication of the mini hotel is done off site allowing it to be built faster and achieve returns sooner



HALLIBURTON



The Location - Wealthy Williston, North Dakota

At the heart of the Bakken Formation oil fields is a small town called Williston, which is defying the laws of economics in the current US recession. With more oil in reserves than Saudi Arabia and the UAE combined, the pressures from this rapid growth are evident. According to recent reports there could be as much as 24 billion barrels of oil in the Bakken Formation.



As a result of this incredible prosperity and with money flooding the area, North Dakota has one of the lowest unemployment rates in all of the USA and land prices are rising dramatically.

Currently only a tiny fraction of the 15,000 and rising oil workers have suitable accommodation and as such the vast majority are sleeping in their cars, tents and trailer parks.

This is totally unsustainable especially when you consider the location being just south of Canada, where the weather can be extremely cold and is causing health and safety issues for the multinational oil companies, who have to ensure the safety and welfare of their staff.

This is why there is an incredible untapped opportunity to provide accommodation in this area.



“With wells drilled in the Bakken during the past three years, there is significant new geological information. With ever-advancing production technologies, this could mean more oil could potentially be recovered in the formation.”

**Ken Salazar
USA Secretary of the Interior**

The Development - A 'Home Away From Home' Community



Each mini hotel block contains 5 self-contained, rooms with 2 beds and furnished to a high standard. Each mini hotel comes with full, dedicated and professional management in place to provide a passive, "hands free" income for investors.

The mini hotel also offers high quality, spacious and fully furnished living room, dining room and kitchen.

This offers a truly unique community experience for the oil workers where they can cook their own meals instead of eating out all of the time and the chance to socialise with other workers. This is something that other accommodation choices do not offer and which will ensure these mini hotels achieve not only maximum occupancy levels, but that each worker will stay for a long period of time.

**Achieve massive annual yields of up to 56% with optional 4 Year, Net 25% Rental Guarantee
Located in the USA's largest oilfield with an incredible shortage of property**

The Development - A 'Home Away From Home' Community

High Quality Fittings and Fixtures Throughout

Both the rooms and spacious communal areas will be furnished to a high specification to ensure that these mini hotels will compete well with the limited other accommodation options in the area, which generally are older and offer a significantly lower standard of accommodation for the price per night.

Investors will not only receive full ownership of the room but also a share of the both the communal areas

Each room will come fully furnished with the highest quality of fittings, fixtures and furnishings including:

- ✔ Two beds
- ✔ Built-in wardrobes / closets
- ✔ Carpeting and flooring
- ✔ Ceiling fans
- ✔ Drapery hardware
- ✔ Attached lighting fixtures
- ✔ Two nightstands
- ✔ Bed linen
- ✔ Flat screen TV and cable
- ✔ Wifi internet ready

Each kitchen / dining and living rooms area will include:

- ✔ Fully fitted stove / cooker
- ✔ Microwave
- ✔ Full cutlery and crockery set
- ✔ High quality sofas
- ✔ Large flatscreen TV
- ✔ Coffee machine
- ✔ Dining room seating area and chairs



Financials - Providing A Passive, Annual Income Of 45%

| | 25% NET Rental Guarantee (D) | Current Promotion Price Of Just \$39,500 (E) | Normal Price Of \$47,000 |
|--|------------------------------|--|--------------------------|
| Investor Price | \$39,500 | \$39,500 | \$47,000 |
| Rental Rate Per Room Per Night (A) | \$125 | \$125 | \$125 |
| Number Of Days Occupied Per Year At 90% Occupancy Rate (B) | 329 | 329 | 329 |
| Annual Total Gross Rental Income | \$41,125 | \$41,125 | \$41,125 |
| % Income Share To Investor (C) | N/A | 55% | 55% |
| Rental To Investor | \$9,875 | \$22,618 | \$22,618 |
| Marketing Costs | N/A | \$450 | \$450 |
| NET Annual Income | \$9,875 | \$22,168 | \$22,168 |
| % Annual Return On Purchase Price | 25% | 56% | 47% |

(A) Based on \$125 per night, this is very conservative, given the many comparable accommodation option rates of \$130 to \$200+ per night per room available and the fact that this "Community Home Away From Home" accommodation offers something truly unique in the current market; spacious, fully furnished accommodation with fully equipped living, dining and kitchen facilities. 2. Full closing and purchasing costs are estimated at \$1,850 per unit.

(B) 90% is much less than current motels and hotels are achieving with many being booked out 6 months to a year in advance and blocked booked by the oil companies. Current occupancy rates in the area are around 95-98%, and they do not provide fully inclusive and equipped communal areas like our mini hotels offer.

(C) Investors will receive 55% of the room revenue, with an additional cost being advertising for your single unit room (at \$450 per year) via internet advertising and personal contacts with the relevant organization's and companies. The remaining 45% is used to pay cleaning, utilities, labour, upkeep and other additional services associated with providing full turnkey rental management.

(D) The 4 year Net 25% Rental Guarantee is optional and investors must indicate if they want to take advantage of this upon point of reservation.

(E) The developer is offering a very generous limited promotion price of just \$39,500 which is over 16% discount to the normal selling price. For investors who are able to act fast, you can benefit from a significant saving off the normal price which would also equate to an extra 8% annual return.

Exit Strategies

1. Long term hold

Compared to the yields and returns offered by bank accounts and the volatility with stocks and shares, a passive, consistent rental income of up to 45% makes a tremendous return to hold for the long term.

2. Sell to investor / fund

As a performing property asset achieving a massive yield and with an effective management company in place, this would be an extremely attractive sale to other investors or funds.

3. Sell to an oil worker

With the average salary being \$200,000+ oil workers would be highly interested in purchasing completed units in order to stay in them, and thus saving the rental allowance they receive.

Financials — Summary Of Costs

Closing / Completion

See below for the closing costs per unit detail.

| | Promotion Price Of \$39,500 | Normal Price Of \$47,000 | Saving |
|--------------------------------------|-----------------------------|--------------------------|--------------|
| Title Documents 2% Of Purchase Price | \$790 | \$840 | \$50 |
| Legal Management Agreement | \$505 | \$555 | \$50 |
| Corp Formation | \$200 | \$200 | |
| Title Insurance | \$355 | \$355 | |
| | \$1,850 | \$1,950 | \$100 |

Ongoing Costs

1. \$450 p/annum marketing fee

This fee is used to buy and place signage, adverts in the local papers around the county, direct marketing to oil companies and the website. The website will be an online management tool as well as a booking and payment site. Add to this the marketing of rooms and a portal to resell your unit should an investor wish to do so at any time during their ownership period.

2. \$5.00 per night hold back (\$1825 p/annum)**

This will be used to pay for the investors insurance policy each month (this policy will be a house hazard policy with contents and personal liability), as well as the general upkeep of the property such as grass mowing, snow removing and gravel replacement, that comes with heavy winter snow removals. Decorating will be needed every few years. The hold back will be on a per block basis and held in the blocks account.

It will be accounted for and receipted. Any funds remaining in the hold back will be the property of the owners of the units in the block. If a shortage occurs then the following month will top off the fund or the owners will pay the amount in. This should be a very rare occurrence but should be Stated. ** not included in the financial on page 7

Taxation

Independent tax advise should be sought, however we can advise that state and federal tax will be circa 10% after deductible costs and filling fees, we anticipate an approx. figure of \$1,000 USD p/annum.

There is also an expected 3-5% sales tax levied by North Dakota State which would need to be paid upon closing / completion.

Note: Investors will be required to have an Individuation Tax Identification Number (ITIN), there will be nominal cost of £250 per person for the application.

Reassurance and Security - Providing Peace Of Mind

The Largest Oil Field In The USA

With an estimated 24,000,000,000 barrels of oil available and more than Saudi Arabia and the UAE combined, this will bring incredible wealth to the area and provide long term job opportunities for 20-40 years as a minimum. *This means your investment will provide long term passive income.*

15,000 Workers Without Proper Accommodation... And Rising

With such a huge amount of workers not being able to find suitable accommodation and sleeping in tents, trailer parks and even their own cars, there is an incredible demand for good quality, furnished accommodation which we are looking to meet with this unique investment. At the moment other developers are having a very difficult time building in the area because as soon as they send workers to build the site, their staff are poached by the oil companies who are able to offer them 3-6 times higher salaries! By using cutting edge building technology, the developer is able to build the main structure offsite and transport the mini hotels very quickly on site thus eliminating this problem. *This not only ensures high occupancy rates but an almost completion free opportunity for long term rental income for investors.*

Rental Income Supported By International Oil Companies

It is common for large oil companies such as ExxonMobil, Chevron, Halliburton, Shell and BP to provide a housing and accommodation allowance for its workers and in many cases pays the owner direct. This is considered one of the perks of working on site on an oil field. *This provides investors with safe and consistent rental income for the long term.*

A Professional, Legal Purchase Using Escrow Accounts

All investor funds are held in a client escrow account and released to the developer only when they have reached each stage of the building of the mini hotels. *This ensures safety and security of your funds at all times.*

Purchase Process - A Safe And Transparent Process

The purchase process is designed to provide a seamless, safe and secure transparent process to ensure that investor's funds are held securely in an escrow account until they are released to the developer upon different stages of the construction.

Copies of passport / ID and proof of address would be required at point of reservation.

Complete booking form, and pay the booking fee. A receipt will then be issued to you.

Provide copies of passport and recent utility bill showing home address.

If purchasing a full block, you should be sent your contract within a week or two of receipt of the booking fee and relevant paperwork as requested. If purchasing a single unit, or multiple units less than a 'mini hotel' block of 5 rooms, booking fees are held in escrow until the whole block has been sold/reserved.

Upon signing the purchase contract, the balance of the purchase price (plus closing costs) is to be paid into escrow and released to the developer upon completion of the following stages:

- a) 35% of contract price (plus closing costs) on signing of purchase contract.
- b) 35% on confirmation that the build is ready to ship from the factory.
- c) 30% on confirmation that the building is complete and ready for occupation.



Q1. What am I actually purchasing?

A1. Investors are purchasing a fully furnished, high end room/unit in a mini hotel with full ownership of a proportion of the entire mini hotel, including fully equipped and spacious communal areas, including kitchen, dining room and living room. These modular type accommodation are classed as houses in their own right, therefore they conform to all of the necessary HUD Regulations and can withstand all the climate changes likely to occur in North Dakota. Their design gives an extra exit strategy given that they are taylor made for a family to move into.

Q2. Is there a reservation fee?

A2. No. As an agent we have negotiated that the booking fee is enough to reserve the unit(s) being purchased until the contract has been signed and first payment paid to escrow. A culmination minimum of 5 rooms/units must be purchased before any escrow funds are released.

Q3. Is planning permission needed to build the mini hotels?

A3. Provided that the construction meets the North Dakota Building Code and the requirements set out by the utility companies, which it does, then planning permission is not required.

Q4. Will there be any problems with ensuring that the units are connected to the full range of utilities?

A4. No, please see Q3 above, The units will be fully integrated with all utilities such as electricity, telephone, water, sewage.

Q5. Who is responsible for managing the mini hotels and paying the rental income?

A5. The developer and their management company will handle all of the day to day running and management of the mini hotel to ensure that this is a passive and hands free investment for you. Rental income for a given month will be shared out equally amongst each investor and paid monthly direct into a bank account of your choice.

Q6. How realistic is the 90% occupancy rate?

A6. Extremely realistic! Current hotels and accommodation in the area are achieving on average 95-98% occupancy rates with some achieving 100% for the last 6 months, so we feel this 90% occupancy rate figure is on the cautious side. With 15,000 workers still with no permanent accommodation already and the number of workers exceeding the number of rooms, there is tremendous unmet demand for accommodation. Also our "home away from home" community mini hotels offer fully equipped and spacious communal areas, which no other hotel or motel offers for oil workers. This gives them both independence and also somewhere to socialise with colleagues. The result? Highest occupancy rates, more satisfied tenants and therefore longer average stays per tenant, giving greater rental income for investors.

Q7. How achievable is the \$125 a night rental rates?

A7. Again, this is very realistic. The majority of accommodation and rooms available that are achieving the 95-98% occupancy rates are charging and being booked at on average \$130 to \$200+ a night. This means our figure of \$125 should have no problem in attracting regular, long term and frequent tenants.

Q8. How do the workers pay for their rooms?

A8. In 95% of cases the large oil companies such as ExxonMobil, Chevron, Halliburton, Shell and BP provide a housing and accommodation allowance for its workers and in many cases pays the owner direct. This is considered one of the perks of working on site on an oil field and provides investors with long term, stable rental income.

Q9. Who pays for the upkeep and maintenance of the building?

A9. An 'upkeep pool' at a rate of \$5 per night is required. This is accrued from rent paid to the management company, not as an additional investor cost. Any external damage (such as from weather conditions) is covered by the master policy; and any internal tenant damage is paid for by the tenant or oil company.

Q10. Does the developer have any competition in the area for these kinds of buildings?

A10. Due to the developer being a specialist in this type of construction and having specialist knowledge and manufacturing techniques, they currently have no competition in this area. Traditional builders have significantly higher build costs and take significantly longer to build their sites and have exceptionally high wages that they have to pay because there is a shortage of workers. The cutting edge technology reduces overheads and costs and therefore ensures the returns are so large.

Q11. What are the other additional costs involved with purchasing?

A11. Closing costs are estimated at \$1,850 for a single room/unit and \$7,000 for a 5 room/unit mini hotel block. Investors purchasing multiple units, but not a whole block, may receive a discount on the closing costs as stated above. Any over-payment of closing costs will be refunded.

Q12. What is the booking fee on this investment opportunity?

A12. We offer very competitive fees given the amount of time it has take to negotiate and structure this unique investment opportunity for our valued clients. We reward larger purchasers by offering significant discounts to our fees, please see below:

| Number of units purchased | Booking Fees Per Unit |
|---------------------------|-----------------------|
| 1 | £1,795 |
| 2-3 | £1,595 |
| 4-6 | £1,395 |
| 7-19 | £1,195 |
| 20 Units Or More | £895 |

Q13. Will I need a USA Lawyer / Attorney?

A13. No you will not, in the USA rather than use a lawyer, investors/buyers use a title company who act as a licensed conveyancer, they produce and sign off the title deed on the property.