

THE LEVERA PROJECT AGREEMENT
Government of Grenada – Levera Resort Development Ltd.

1. Background:

- **Government Guaranteed Loan:** In September 2001, the Government of Grenada guaranteed a loan of US\$11 million with the Bank of Miami for the Grenada Development Company Inc. to facilitate the Levera Resort Development Project.
- **Transfer of Crown Lands:** In 2003 the Government of Grenada, ALSO transferred 243 acres of the people’s property, Crown Lands, into the control of the Grenada Development Co. Inc. by way of a 99 year lease. Shortly after the transfer, the project folded.
- **From Grenada Development Co. Inc. to Levera Resort Development Ltd.:** For four years, the nation heard nothing. And then, in his Budget Speech of 2007, Hon. Anthony Boatswain advised that a new developer, “a man with reputable international standing and with strong Grenadian connection” had decided to continue with the development of 350 acres at Levera.

2. Levera Project Agreement:

- The Levera Project Agreement of June 6th, 2007 between the Government of Grenada and the Levera Resort Development Ltd. was signed by Senator Einstein Louison on behalf of the Government of Grenada. It appears that Earlene Taylor signed on behalf of Levera Resort Development Ltd.
- The company agreed to take over the liabilities of the Grenada Development Company Inc. and recommence the project by September 1st, 2007.
- Government agreed to convey the freehold interest in the Levera Crown Lands to the company. The Levera Crown Lands were to be sold to the Company at a price of US\$3.5 million.

2.1. Failure to Recommence the Project:

The Levera Project Agreement made provisions for the recommencement of the project by a start date of September 1st, 2007, failing which **the Agreement would cease to have effect** and the Levera Crown Lands conveyed to the Company would be re-conveyed back to the Government. The lands would be repurchased by the Government at the original purchase price for which it was conveyed.

2.2. Waiver of Immunity by a Sovereign State:

A most startling aspect of this agreement was the waiver by the Government of all immunity to which it was entitled or to which it might have become entitled as “acting on behalf of a sovereign state” in relation to this Agreement. This waiver of immunity was “irrevocably binding on the State of Grenada”.

2.3. Responsibilities of Government:

Among the responsibilities of government detailed under this agreement were the following:

- **Infrastructure:** to facilitate where appropriate and as far as possible, the provision of infrastructure to the boundaries of the GDCI Lands and the Levera Crown Lands and the environs – electricity, telecommunications, water, sewage treatment etc.
- **Transfer Waivers and Tax Exemptions:** Granting of transfer waivers and tax exemptions to the Company, its nominee and assigns and buyers - among these are a 25 year exemption to the Company from the payment of corporation taxes, stamp taxes and any other successor taxes on sales and profits, withholding taxes and capital gains taxes. Transfer waivers included property taxes and alien land holding licences.
- **Helicopter and Ferry Service:** Granting or assisting the company in obtaining permission to operate a helicopter and ferry service to the project site by the Company or any third party nominated by the Company.
- **Operation of Pearls Airport:** Leasing the Pearls airport for 99 years at a nominal fee and facilitating the issue of a licence to operate the Pearls Airport to accommodate domestic and international air traffic connected to the project.
- **Levera National Park:** to grant or procure permission for the company to operate the lands known as the Levera National Park as a tourist attraction.
- **Properties in Boundary with the Project:** to assist the Company in negotiating with owners of properties in close proximity to the Project to purchase those properties should the company require those properties for expansion.

2.4. Responsibilities of the Company:

Among the responsibilities of the Company detailed by the agreement are the following:

- **Commencement of Project:** by 1st September, 2007 secure the necessary funds, at least US\$10 million, to commence the development of the project
- **Deliverables:** In the first phase of the Project to complete or procure the completion of at least a 40 room villa hotel including a spa and other amenities at an approximate costs of US\$50 million.

The second phase, to be completed within five (5) years of the project, is the construction of 136 villas.

- **Service Outstanding Loan:** to service the outstanding government guaranteed loan to GDCI originally held with the International Bank of Miami up to the sum of US\$12 million. (According to the schedule, the debt service payments by the Levera Resort Development Ltd. would be made to the Government of Grenada)
- **Information on the Project:** to inform the government of technical details concerning the development of the project as REASONABLY (?) required.
- **Compliance:** to procure, so far as is reasonably practicable (?) compliance with the laws of Grenada, of its assignees, contractors and employees.

3. Exemption from Import Duties, Taxes and Customs Service Charges:

The Company is exempted from all import duties, taxes and customs service charges on the importation of the following:

- Up to **ten (10) luxury coaches and limousine** vehicles for the purpose of transporting guests of the resort between the airports and the resort.
- **Aircraft and up to four (4) pleasure motor and sailing boats** for use by the resort to provide services to its guests.
- **Four (4) 4-wheel drive motor vehicles** for the construction phase of the project.
- Imports of **materials, supplies, furniture, fixtures or equipment for the construction and furnishings** of the resort complex or otherwise connected to the project **for a period 25 years** from the commencement of the project unless **EXTENDED** by mutual agreement of parties.
- Importation of **spare parts for construction machinery** for the project.
- Foreign management and and foreign contractors (a maximum of 10 persons) are afforded the relief on duties and taxes :
 - i. 100 percent relief on the import of a vehicle and furniture, fixtures and household equipment - for up to 5 persons
 - ii. 50 percent relief on the on the import of a vehicle and furniture, fixtures and household equipment - for up to 5 persons

4. Work Permits and Visas:

- Work permits and visas are to be granted by the Government to foreign professionals and/or workers required by the Company where such required skills are not available in Grenada.
- The Government agrees to issue work permits to up to 50 persons of foreign nationalities for the purpose of “on the job” training and the Company undertakes to maintain the room to employee ratio of two (2) Grenadian workers to each room.

5. Points to Ponder:

- **Conveyance of Crown Lands in December 2007:** The Agreement provides for a **recommencement date of 1st September, 2007**. YET the Crown Lands were conveyed in December 2007. WHY were lands conveyed if the developers did not have adequate funds?
- **Security of Tenure of Private Owners of Adjoining Lands:** This agreement threatens the security of tenure of legitimate property owners whose lands are in boundary with the Levera Resort Development.
- **Levera National Park:** the lands known as Levera National Park are to be given to the control and operation of the Levera Resort Development Ltd. Are locals and nationals going to be deprived access to their own property?
- **Government Guaranteed Loan originally held by International Bank of Miami:** The Agreement makes reference to the government guaranteed loan that

was **ORIGINALLY** held by the International Bank of Miami. Does this mean that the **LOAN IS NO LONGER HELD BY THE BANK**. WHO/WHAT was the holder of the loan when the agreement was signed? Has the holder of the loan changed since the Agreement was changed? What is the status of the loan? Has the Levera Resort Ltd. been servicing the loan?

- **Ability of the Company to Carry Out Its Responsibilities:** In the Agreement the Company warranted that it had the capacity and authority to carry out its responsibilities. Did the company **MISREPRESENT** its capacity to the Government?
- **Proof of Funds:** The Agreement required the Company to submit proof of funds in the form of a commitment letter from a reputable financial institution stating the purpose of the loan. Did the company submit a commitment letter and from which institution?

6. Levera Resort Limited and Three Delta:

Based on its research, Citizens in Defence of Grenada's Lands and Heritage has become aware of the following:

- **Shareholders** – the shareholders of Levera Resort Development Ltd. were named as Englishman Paul Taylor and his wife Earleen Taylor, a second generation Grenadian and one Robin Southwell.
- **Grenada Operations** – were to be handled by two persons including Lyden Ramdhanny whose responsibilities included government relations and project management.
- **Three Delta** – Paul Taylor's company, Three Delta, was to be responsible for marketing and debt and equity financing. Paul and Earleen Taylor and one, Dan Nicholson were named as part of the Three Delta team.

7. Update:

- **Grenada Investment Mission Brussels 2010:** In seeking to facilitate access to investment by “stalled projects” the Government of Grenada facilitated an investment jaunt by Levera Resort Development Ltd. at a Grenada Investment Mission to Brussels in December 2010
- **Winding up of Three Delta:** Paul Taylor's Three Delta, the entity that was apparently responsible for marketing and debt and equity financing of the project, shut shop in mid 2011.
- **Public Debt:** At July 2011, \$3.7 million was owed by the Government of Grenada to local land owners in Levera whose lands were taken away by the New National Party, without compensation, to give to the first developers who abandoned the project. Interest accrued at a rate of three percent (3%) between November 2002 and December 2005 and since December 2005 at a rate of six percent (6%).

- **Compensation to Local Land Owners:** On July 8th, 2011, the House of Representatives approved a serial bond issue of up to EC\$50 million to address this debt, a debt of US \$2.9 million to Blue Lagoon (another “NNP mistake”) and other outstanding debts.

Conclusion:

The Levera Project Agreement is an “NNP Mistake” with significant financial consequences for the lives and livelihoods of the people of Grenada:

- **Public Debt:** The people of Grenada are saddled with a debt of US\$11 million plus accrued interest in respect of the loan guarantee to their first set of “developers”, Grenada Development Company Inc.
- **Additional Public Debt:** In addition, the Government of Grenada is saddled with additional debt in respect of compensation to private land owners whose lands were acquired and given to Grenada Development Company Inc.- **some EC\$3.7 million dollars to be settled through a bond issue approved by the House of Representatives on July 8th, 2011.**
- **Alienation and Dispossession/Levera National Park:** The livelihoods of the people of Levera and surrounding communities have been significantly affected given that they have been alienated and dispossessed of access to and use of the “people’s property”., 243 acres of land in Levera. In addition, the control and operation of the Levera National Park is given over the development.

When will the NDC administration act to rightfully restore ownership of the people’s property back to the ownership of we the people?

**GRENADA DESERVES BETTER!
WE STANDING UP FOR GRENADA!!**