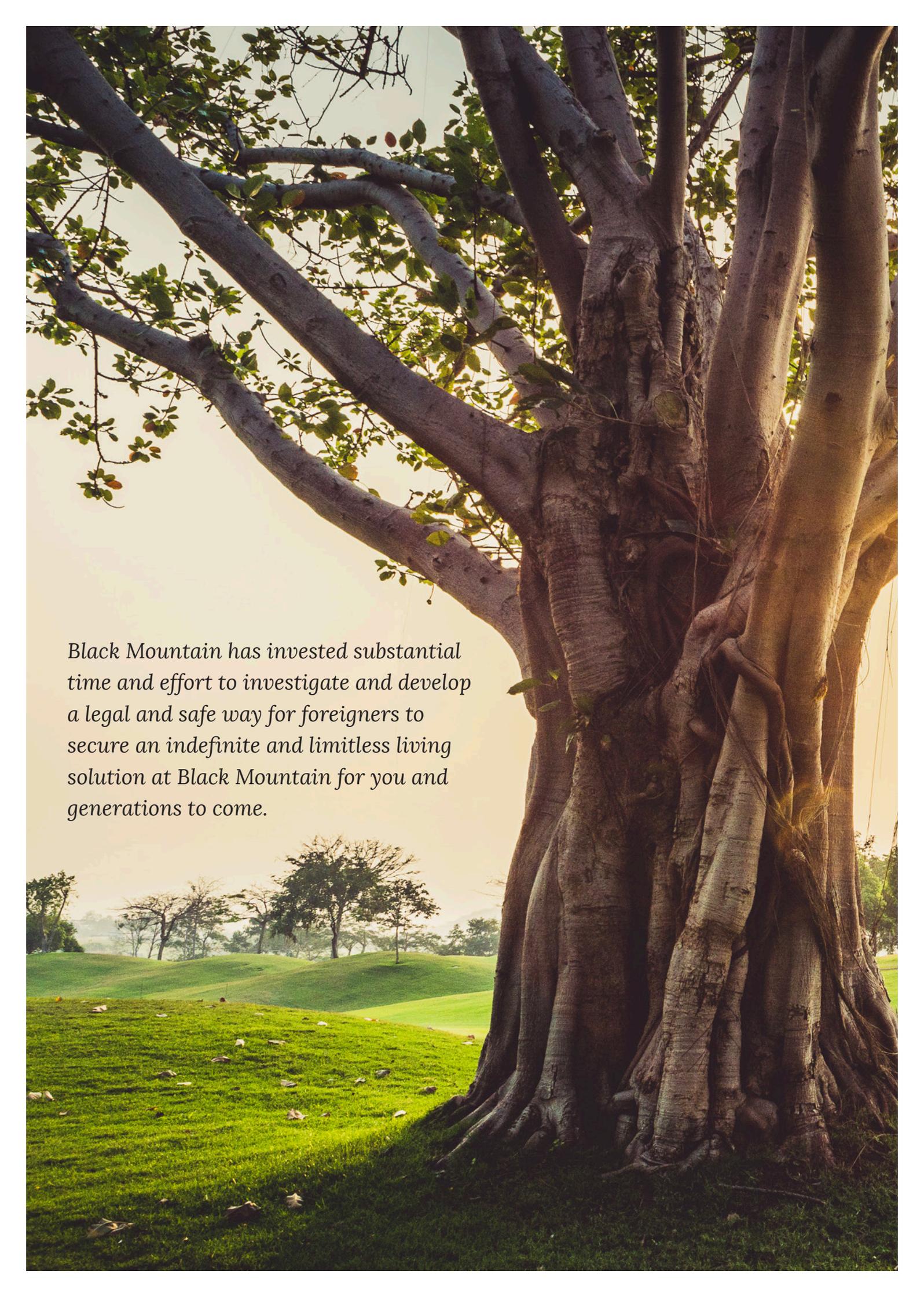


E-BOOK

The Black Mountain legal concept

to secure property





Black Mountain has invested substantial time and effort to investigate and develop a legal and safe way for foreigners to secure an indefinite and limitless living solution at Black Mountain for you and generations to come.



A home in Thailand

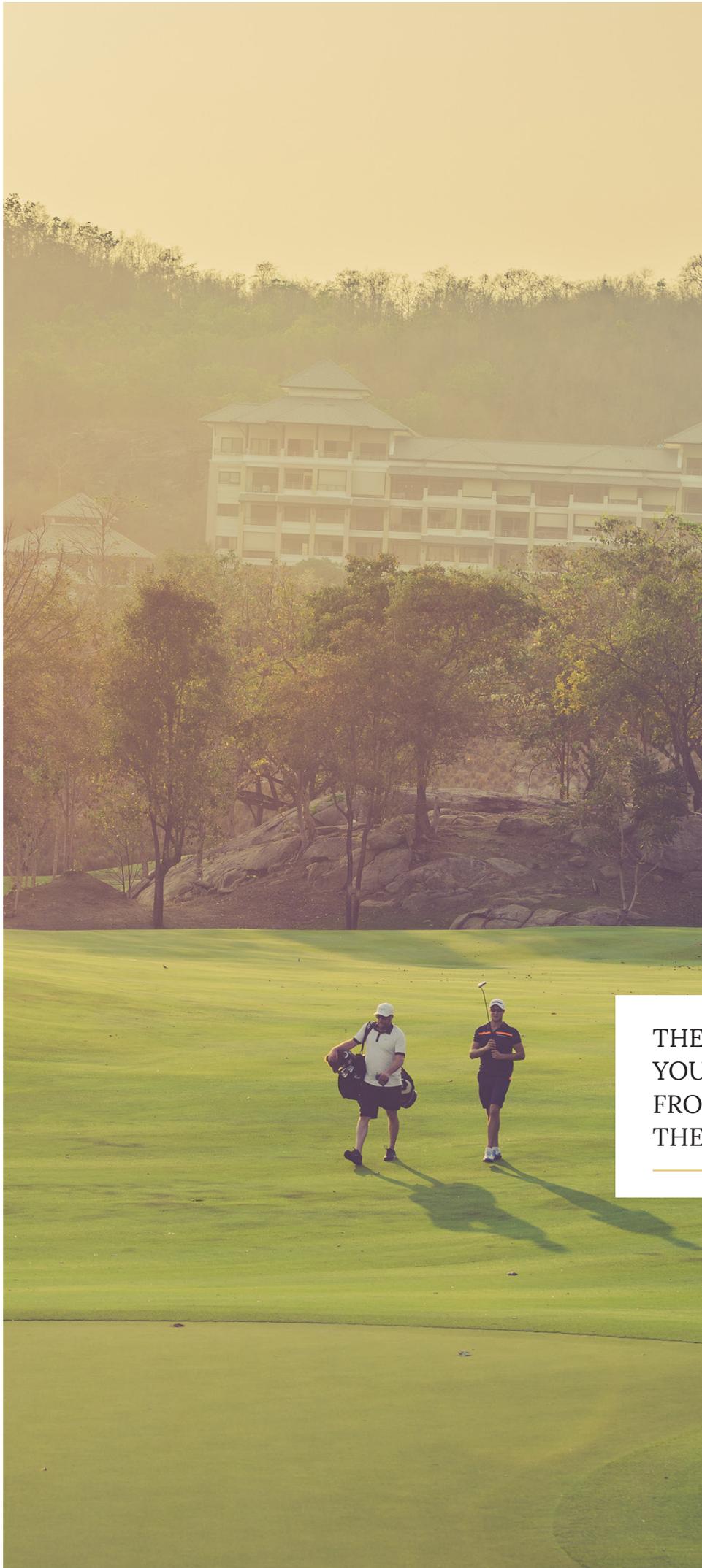
It is a well-documented fact that foreigners cannot own land in Thailand. However, it is quite legal for foreigners to lease land.

Over the years, different legal business structures and lease models have been developed, making it possible for foreigners to have a home in Thailand. However, all these established models come with risks and limitations for the foreigner, such as time-limits and restrictions for children, or others, to inherit lease contracts.

Black Mountain has invested substantial time and effort to investigate and develop a legal and safe way for foreigners to secure an indefinite and limitless living solution at Black Mountain for you and generations to come. We call it The Black Mountain Club Membership Concept.

The most common ways for foreigners to obtain a home in Thailand is a 30-year lease contract or a corporate partnership with Thai citizens where the foreigner owns a maximum of 49% of the company which buys the property. (In this document, we will not address the alternative of marrying a Thai citizen.)

The above alternatives come with different risks and potential problems for you as a foreigner. There are, of course, legal ways to protect your assets but that process almost always includes substantial legal cost in advance.



Corporate partnership

A foreigner has the option to set up a business in Thailand. Some of the prerequisites are that a foreigner can never own a majority of the shares in a corporation and there must be a minimum of two Thai shareholders in the company.

If the purpose of the company is to own the house and rent it to the foreigner, and the company pays the taxes, handles the administration with the land office, and you as the lessee pays rent to the company it is a legit set-up.

However - and this has unfortunately happened on numerous occasions - as you are not the majority shareholder of the company, there is nothing stopping your business colleagues from selling the business, the land and the house. If the person who buys the property from your

THERE IS NOTHING STOPPING YOUR BUSINESS COLLEAGUES FROM SELLING THE BUSINESS, THE LAND AND THE HOUSE

colleagues wants to do something else with the land other than let you live on it, you are out of luck.

You can of course sue your former business colleagues, but this can be a tedious and complicated process, lasting many years in a legal system with which most foreigners are not familiar, including the language and the process. It is far from the dream you had of a calm and relaxed lifestyle.

Lease contract

A foreigner can rent property in Thailand. However, the lease contract comes with a time-limit of 30 years. When you sign a lease contract it must be registered with the land office to be valid, otherwise the contract will expire after only three years.

The price level for the 30-year lease contracts are high, in the same range as buying the property would be. To avoid making foreigners nervous about their "investment" many lease-contracts come with a 30+30+30 year structure. The 90-year contract is in theory legal but is in reality not enforceable.

First, the lease contract is between two parties. If either party dies, the contract is terminated. Your children cannot inherit the property when your die and all obligations set out in the contract, such as renewal, are also terminated.

Secondly and crucially, you can only pay rent for 30 years in advance. Years 31-90 are not enforceable for tax and other legal reasons, accounting laws being one of them. If you leased the property thinking you have covered the cost for the next 90 years you will be

IF YOU LEASED THE PROPERTY THINKING YOU HAVE COVERED THE COST FOR THE NEXT 90 YEARS YOU WILL BE UNPLEASANTLY SURPRISED AFTER 30 YEARS

unpleasantly surprised after 30 years. Thai law says that when you renew a lease after 30 years you must pay a new rental fee at market price for the property, or at least pay what you paid for the previous lease contract.

If your lessor comes across as the kindest Thai you have ever met and says that you should not worry about what happens after 30 years and that he will take care of you, you should know that the land office will not accept a renewal of a lease contract without it reflecting market value, the same or higher than before. As taxes for your lessor are based on the filing with the land office, the likelihood of something going wrong with your lease-contract when your lessor is to pay taxes for your property is great. Regardless how kind he is.

The third aspect is the investment perspective of your assets. If you invest in a property that is legally yours, there is an excellent chance you will have a capital gain on your investment over time. If you lease/rent, your property becomes less and less valuable with each year and at the end of year 30 is worthless.



The Black Mountain Club Membership Concept

When Black Mountain was formed during 2005 and 2006, substantial time and effort were spent investigating and developing a legal and safe way for foreigners to secure an indefinite and limitless living solution at Black Mountain.

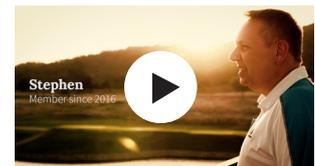
In the Black Mountain Club Membership legal structure, you pay to become a member at Black Mountain. The membership at Black Mountain comes without time limits and is transferable from generation to generation.

In your membership is a right to an exclusive and unlimited use of a designated property, by way of

Possessory right permit. This is not considered a lease under Thai law but rather a possession. Possessory rights are different from lease contracts as they are transferable and without time limits.

If you still wish to register your property with the land office and have it structured as a lease contract you still have the option to do so.

SPEAK TO LOCAL MEMBERS, DO YOUR RESEARCH. FOR US, BLACK MOUNTAIN WAS THE RIGHT CHOICE



Meet Stephen Wright from England. He and his family looked for the ultimate place in Thailand to retire. See how he now is building his own dream at Black Mountain.



THE FOUR CONTRACTS

Black Mountain Resort Membership contract

Possession of property contract

Construction contract (if needed)

Golf Club Membership contract

Four contracts

When you become a member at Black Mountain you sign four contracts; Black Mountain Resort Membership contract, possession of property contract, construction contract (if needed) and Golf Club Membership contract.

All the land at Black Mountain is originally owned by a Thai company called Thai Nordic. The golf course and clubhouse and all common amenities are located on the premises of Thai Nordic. When a new housing development project, in an area of Black Mountain is planned, a subsidiary - a daughter company - of Thai Nordic is created and the ownership of the land is transferred to that company.

These companies have different names but are here referred to as Black Mountain Resort. It is with this company you sign your Membership contract.

With the Resort company you also sign a possession of property contract and, if the house is not already built, a construction contract. As the subsidiary/resort company owns the land, the most convenient structure for all parties is for the resort company to hire the construction company to build your house.

The final contract is your Golf Club Membership contract which you sign with Thai Nordic.

*You cannot be a member at Black Mountain without possession of property.
You cannot possess property at Black Mountain without a Golf Club Resort Membership.*



The membership

The membership in the Black Mountain Resort club is a lifetime membership. It comes with three supplementary memberships. If the primary card holder dies, the membership is not canceled but rather transferred to the secondary cardholder.

The Black Mountain Resort membership gives you certain privileges.

SOME OF THE RIGHTS ARE:

- to become a member at Black Mountain Golf Club;
- to possess property;
- to participate in member golf tournaments;
- to use amenities provided by Black Mountain Golf Course/Thai Nordic;
- to sell your membership and possession of property.

Please note that membership in The Black Mountain Resort Club is not the same thing as being a member in the Black Mountain Golf Club. There is a fee to join Black Mountain Golf Club. The Resort Club membership only gives you the right to become a member at the golf club.

Membership protection

The long-term guidance of Black Mountain is structured in trusts outlining among other things Black Mountain not to be sold. The long-term protection of your membership is regulated by the Black Mountain resort club in which you are a member.

Once the development of the area in which you are a member is concluded, the Resort Club is legally frozen. That means no transfer of power, taking up debts, making business arrangements, etc is possible for your Resort Club.

The relationship between you and the Resort Club and Black Mountain is set for ever.

THE RELATIONSHIP BETWEEN YOU AND THE RESORT CLUB AND BLACK MOUNTAIN IS SET FOR EVER

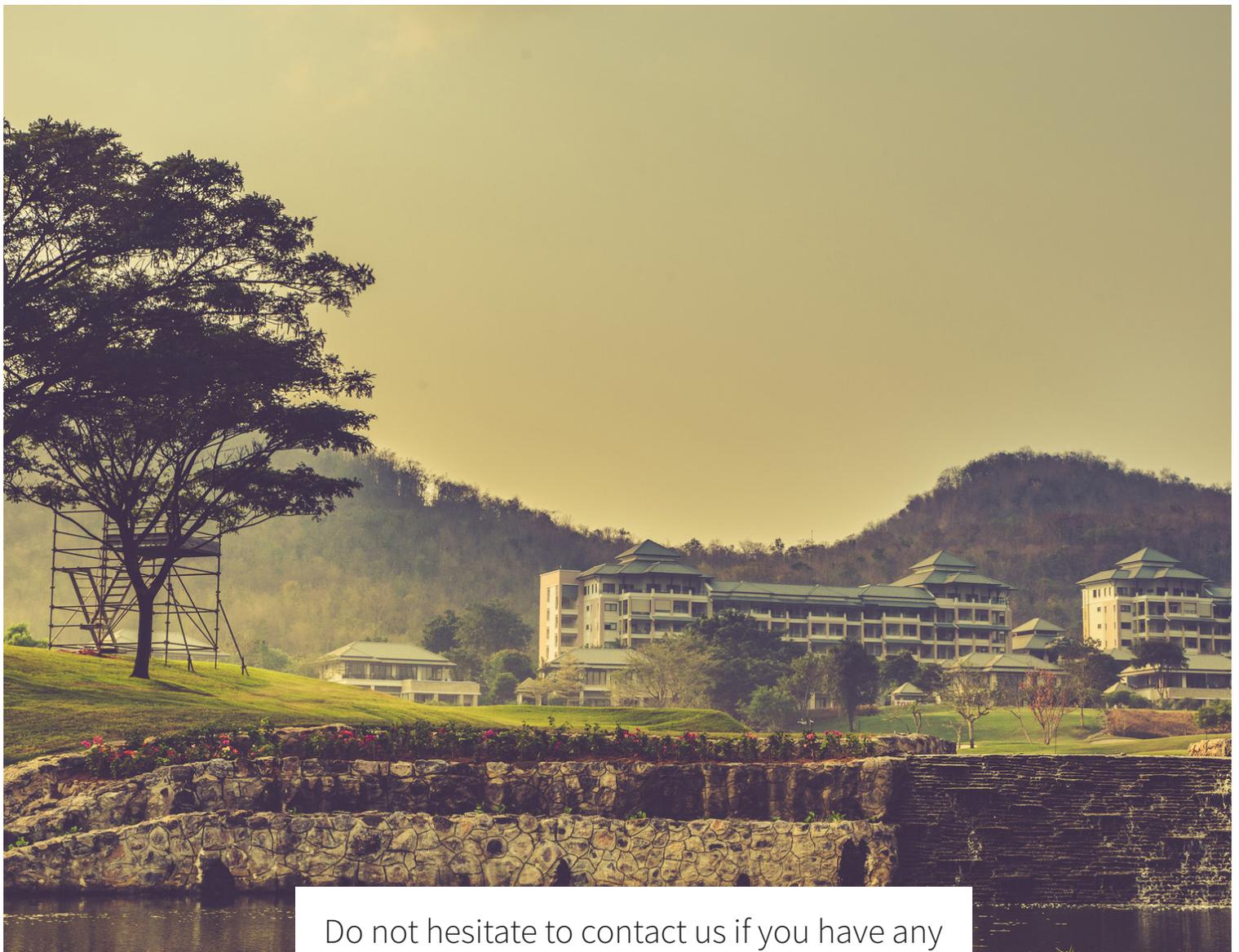
Between Black Mountain Golf Club/ Thai Nordic and the Resort Club in which you are a member, there is a legal

contract which regulates Thai Nordic's responsibilities in providing power, water, internet and all other amenities needed.

In accordance with Thai law

This legal structure has been in place since Black Mountain was founded in 2007. It has been developed in accordance with Thai law.

There are today hundreds of members at Black Mountain enjoying the lifestyle of this vibrant golfing community.



Do not hesitate to contact us if you have any additional questions. You reach us best at:

info@blackmountainhuahin.com
