

To the Governors:

## **Important Note on “LLC PowerPoint Presentation 0505”**

The “LLC PowerPoint Presentation 0505” file is a Microsoft PowerPoint presentation on the concept of financing the Peace Palaces as an LLC (Limited Liability Company).

Using this approach, the Peace Palace property initially is owned by the LLC, and then is donated after ten years to the Global Country of World Peace. This approach may be financially more beneficial and attractive to investors than would be their making outright donations or investing through loans or bonds.

These ideas have been discussed in general terms with International, with a cautiously positive response. Approval to proceed specifically along these lines will depend on the precise terms and assurances of the offering.

If you feel that you may have investors who would be interested in an investment vehicle such as this, you could present these ideas, not as a specific proposal, but as a general example of how we might proceed, with the intention to cultivate and gauge their interest.

If you have further questions, please do not hesitate to contact me.

Jai Guru Dev

Raja Tom Stanley

Raja of Denver

*see below: introduction to the presentation*

***PowerPoint Presentation:  
Financing the Peace Palace with Investment Dollars***

The investment lasts for ten years, during which the investor will receive back all of their initial investment principal, plus an interest rate of 10% or 18% (see below) on the outstanding balance of the investment as if this were a conventional loan repayment.

At the end of ten years, the investor will donate the Peace Palace building to the Global Country of World Peace, and the investor may then realize a tax savings for the following six years depending on their individual tax circumstances—and that could also amount to between 3.5% to 14% per annum for each of those six years.

The investment structure suggested in the attached PowerPoint presentation has two options.

First, the investor can give 25% in cash, and guarantee a bank loan for 75% of the total cost, or second, the investor can provide the entire amount in cash. Based on which option the investor chooses, he will get a different rate of return on the cash portion of their investment.

For this presentation, it was assumed that the total project cost was \$3 million.

For example: If the investor chooses option I, he provides \$750,000 in cash, and guarantees a bank loan for \$2,250,000. By guaranteeing the bank loan, the investor still has \$3 million at risk.

If the investor chooses option II, he provides \$3 million in cash. He has the same total risk as the investor in option I (\$3 million).

In the presentation, the investor choosing Option I, receives an 18% return ON THE AMOUNT OF CASH he invests, while the investor in option II only receives 10%.

18% may sound high, however it is important to understand that the investor in option I actually receives less cash back than an investor choosing option II, even though their total risk is the same. Because the “rate of return” is calculated as a percentage of the total amount of cash invested, Option I has a higher percentage. In option I, the investor is using “leverage” to increase their rate of return.

For example: Investor in Option I receives \$162,000 per year and investor in Option II receives \$476,000. However, the “rate of return” is higher for Option I because it is calculated on the amount of cash investment (\$750,000), and the rate of return on Option II is calculated on \$3million cash investment, which gives a lower percentage (10%).

The investor in Option I uses “leverage” to increase their rate of return.