

SAMUJANA OWNERSHIP QUESTIONS & ANSWERS

What is Samujana?

Samujana is a private luxury villa estate located on Koh Samui, Thailand and was designed by award winning Gary Fell of GFAB Architects.

Constructed on an exclusive hillside of 45 Rai (18 acres), overlooking a rocky cove with private beach access, the 27-villa estate is situated on the northeastern coast of Koh Samui, just ten minutes from Samui International Airport and between the stunning beaches of Choeng Mon and Chaweng.

Each individually owned villa has panoramic sea and island views and its own large infinity pool. The villas are clad in locally sourced stone and are constructed amongst mature tropical trees and natural rock formations.

All the villas are privately owned by independent third parties. All villa owners become shareholders of Samujana Ltd, a company that controls the management company of the Estate.

Samujana operates the rental of villas, management of the estate and all aspects of marketing and promoting the resort. It is overseen by an annually elected Villa Owners Committee (VOC), who represents all Villa Owners.

Are the villas available for purchase?

Yes, although most of the estate is sold there are a handful of villas that are currently available for sale, including some from a batch of recently constructed villas.

Do the villas come fully furnished?

Yes. All villas are offered for sale fully furnished using the highest quality imported materials and furniture and fittings, with superb quality kitchens, bathrooms and in some villas, cinemas and gyms. Many of the homes utilise courtyards with water features to encourage through ventilation and extensive landscaping provides shade and privacy. The selling price includes all the current furnishings and fittings unless specifically identified.

Am I able to customise my villa?

In order to maintain a consistent look and professional build, owners must seek approval from Samujana's designer, Gary Fell, and the Villa Owners' Committee to make any structural or exterior changes to the villa. Interior decoration and furnishing can be at owner's decision, however it

should meet the standards required to maintain the high quality image of the Estate.

How do I reserve a villa?

A Reservation Fee of 5% of the value of a villa is payable to the vendor as a deposit in escrow which is required on signature of a Reservation Agreement. The vendor will then send the relevant legal agreements including the sale and purchase agreement to the purchaser for review and execution. The Purchaser has twenty one (21) days from receipt of the documents to execute. During this period, the vendor will not entertain other offers on the villa.

If the purchaser enters into and signs all of the legal documentation required to complete the purchase within the permitted twenty one (21) day period, the Reservation Fee received will be fully credited against the agreed purchase price of the Villa.

If the purchaser does not execute the documents within the twenty one-day period, the reservation will lapse and the Reservation Fee will be forfeited to the vendor without further rights.

What types of ownership are available?

Samujana villas are offered for sale via Leasehold.

What is a Leasehold property?

The Thai companies which own the Samujana Estate land have granted 30 year leases (30 being the maximum period allowed under Thai law) to individual villa owners who in turn own the lease of each of the plots of land within the estate. The lease contains provisions that allow the leaseholder to renew the lease for two further periods of 30 years meaning that in effect the lease is 90 years long. The Purchaser has the maximum term allowed under Thai law in the lease and the option to purchase the freehold if and when allowed by Thai law. The Purchaser owns the building on the leased land.

What costs are associated with the purchase of a Samujana villa?

The purchaser is responsible for their legal costs relating to the purchase. As the lease structure already exists there is no additional cost associated with registration or stamp duty payable for the leasehold option offered to non-Thai investors.

What are the payment options or terms?

The purchase price (less reservation fee of 5%) is due in full on signing the sale and purchase agreements as described above unless an alternate agreement has been made directly with the Vendor.

Is financing available?

Further details of this arrangement can be provided from the Vendor on request. There are no general financing arrangements supplied by Samujana.

What expenses will I incur after purchase?

The villas are managed and operated by Samujana Co Ltd, a local Thai company. All revenues for rental are collected by Samujana and all the expenses for operating the villa are incurred by Samujana (these are set out further on). The operation of the villa by Samujana will produce an annual profit or loss for Samujana, which forms the basis of the commission payable to the villa owner.

If the Villa has generated a profit, then this will form the maximum figure for the commission payment to the Villa owner and upon which local Thai withholding tax is payable (currently 5%). If this Commission is transferred overseas then the withholding tax is increased (currently 15%). If the Villa has incurred a loss then the Villa Owner will be required to pay Samujana to compensate for the loss.

If the owner chooses to use the villa for their own private usage, then the owner is invoiced for relevant villa costs in proportion to the number of days the villa is in the rental program versus the number of private usage days. The owner is required to pay VAT on these costs.

If a villa is in the rental program for the majority of

the time, then the costs for an owner's private usage are usually fully covered by the credit balance in the Villa Owner's Commission Account and hence no actual cash cost is payable by the owner for that usage.

If the owner chooses not to use the villa at all and the villa remains in the rental program, then there are no cash costs or expenses payable by the owner to operate the villa after purchase, unless the Villa Operation incurs a loss as explained above. The owner will however be responsible for costs if they decide to do any renovation, upgrade or new asset purchases for the villa.

Fixed expenses, which Samujana incurs on behalf of the villa each month, are mandatory: Estate Management and Villa Management Costs that are individually structured for each villa, as well as the utilities costs for the villa (electricity, water, internet service, cable TV service).

In addition, there are a range of variable costs linked to guest activity at the villa including:

- Reservation costs and 3rd party Agents costs
- Maintenance and Repair - materials and any specialised services engaged in maintaining the villa.
- Pool Maintenance - materials including chemicals, cleaners and any external specialised service.
- Garden materials and Pest Control - Samujana will be responsible for the routine maintenance of the garden and landscaping of the villa as well as engaging and overseeing pest control contractors on regular pest control schedules in the villa.

- Supplies and fuel (e.g., laundry services, gas)
- Complimentary Guest Costs - these are items included in the room rental rate and provided to Samujana guests at no charge:
 - Airport Transfers
 - Breakfast, complimentary refreshment, toiletries and guest supplies
 - Added value services offered in specially structured promotional offers. These may include complimentary private chef services, massage and spa treatments, boat charters, etc. These costs will be deducted from the villa rate for the nights booked at cost price.

What is included in the Estate Management Cost?

This covers the cost for managing the estate, which is not limited to but includes:

- Estate Maintenance / Gardening – staff costs and directly attributable costs for staff engaged in maintaining common areas of the estate, including the “Big Lawn” and beachfront area, reception and back-of-house areas, tennis court and roads.
- Provision and maintenance of a back-up electricity generator to supply temporary power to the estate in the event of localised power outage.
- Provision and maintenance of water supply and irrigation systems including storage tanks with supply and reticulation systems to Villas and the estate common areas.

- Maintenance of a wireless based Internet service (for all Villas and common areas).
- Materials and external services incurred for repairs and maintenance to common areas.
- Staff costs and directly attributable costs relating to Security.
- Pest control and pest management programs for all common areas.
- A share (as determined by the VOC) of general overhead costs covering:
 - Human Resources Department, Administration and Finance Department.
 - Administrative costs including corporate, legal, audit, and accounting fees and other costs incurred in managing the estate.
 - Finance costs including interest, bank charges, exchange losses and unrecoverable taxes.

What is included in the Villa Management Cost?

The cost relates to the cost of managing and operating the villa and servicing guests (either through the rental program or owner private usage) and includes:

- A share (as determined by the VOC) of the total staff costs and directly attributable costs of staff engaged in managing the Villa including: Villa Managers, Guest Experience staff, Villa Housekeepers, Villa Attendants and Housemen.
- Villa Maintenance / Gardening – The staff costs and directly attributable costs for staff engaged in

maintaining the Villa and gardens.

- A share (as determined by the VOC) of general overhead costs covering:
 - Human Resources Department, Administration and Finance Department
 - Administrative costs including corporate, legal, audit, and accounting fees and other costs incurred in managing the estate.
 - Finance costs including interest, bank charges, exchange losses and unrecoverable taxes.

What staff is allocated to the villa?

One or two dedicated villa attendants are allocated to each villa depending upon the villa size. They are responsible for cleaning the villa and providing general housemaid services and coordinating with the maintenance, gardening and pool service staff to ensure the villa, grounds and pool are in prime condition.

A Villa Manager / Guest Experience Manager is assigned to a villa while there is an in-house guest to oversee the guest requests, provide support and advice on local activities, facilitate transportation, arrange outings and dining experiences and ensure that all aspects of the villa are operating at the expected high standard.

Is there a security function?

There is 24-hour security covering the Estate. There is always a guard stationed at the entrance gate. We are in the process of installing CCTV cameras throughout the estate but if an owner chooses to have CCTV installed in their villa they will do so at their own cost. All staff must sign in with the electric fingerprinting system and all visitors must sign in at the main gate to receive a visitors' pass.

How is pest control managed?

We take pest control seriously at Samujana and work with EcoPest to treat the entire estate, including each villa and all common areas and buildings on a monthly basis for insects and rodents. EcoPest also specialise in termite prevention and treatment and provide routine preventative termite treatment. We also use EcoPest to control mosquitoes, especially during the rainy season.

Who else works in the Samujana team?**Gardening**

There is a dedicated gardening team at Samujana who constantly clean and maintain all garden areas, event spaces, roads, tennis court, beach area, garbage removal, drainage system, etc. Each villa is allocated a garden team member. They do, however rotate to best suit the scheduling of the entire team.

Pool Service

There is a dedicated pool team who clean and test the PH of every villa pool 3x weekly.

Maintenance

Our maintenance department, led by our Director of Facilities, is comprised of technicians. Obviously with villas of this size and open nature there needs to be constant upkeep and the maintenance team strives to be on top of the situation with routinely scheduled preventative maintenance.

They work closely with the villa staff who will alert them to any maintenance related issue as they arise. Additional benefits of our in house maintenance team is that they are extremely familiar with each villa and are also able to undertake major repair and project work when necessary, potentially saving the villa owner the inflated costs of outside contractors.

Administration

Our small administration team handles everything from maintaining and issuing monthly owner reports to rental requests and booking specifications and event organisation and guest activities.

They coordinate our marketing efforts and website maintenance as well. Managing the estate is a professional senior management team with extensive international experience.

What is Samujana's role in Villa Sales?

The villas are currently all owned under private arrangements by independent third parties. Samujana staff will introduce prospective buyers to the estate, provide guided tours of the villas and answer questions about estate and villa operation and management. However, all negotiations and legal aspects for purchase should be handled through direct contact with the relevant villa owner or their appointed agent.