

# MAINTENANCE

The Horizon Residence Maintenance Company will ensure that the Horizon Residence stays in tip top condition by maintaining all the cleaning and maintaining all the communal spaces, including the swimming pools, gym, gardens, roads, building interiors, walkways, lifts, generators, as well as providing pest control and 24hr security.

In addition, for a small fee, we will be on hand to assist with any maintenance jobs within your Condo unit, such as changing light bulbs, hanging pictures and any other tasks that you need help with.

Maintenance Fees = 70 Thb per Sqm of the unit, per month

Sinking Fund = 500 Thb per Sqm (one off payment at point of transfer)

The sinking fund is a communal fund that covers unexpected repairs or replacement of communal equipment such as the generators and the electrical transformers etc. If money from the Sinking Fund has to be utilized, then each owner will receive notice and evidence of the repair/replacement cost, and be required to top up the fund to the amount that was previously held, prior to the expenditure.

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The maintenance fee is subject to annual increases to account for the increased costs of maintaining the common areas and/or inflation.

## MANAGEMENT

The Horizon Residence Management Company will have an onsite office so they can take care of the residents and guests needs and to ensure that they have a pleasant of a stay as possible.

The management team will provide; a shuttle service from Horizon Residence to the airport and beach, maid service, room service as well as organize such services as a chauffeur, baby sitter, in-house spa treatments, tours and car and motorbike hire.

In addition the management team will take care of bill payments for the owners as well as each owner's accounts.

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Please be aware that the above mentioned services will be charged to those that request them.

# METHOD OF OWNERSHIP

## DEAR PROSPECTIVE BUYER,

Thank you for taking the time to consider investing in Horizon Residence.

This letter serves as an introduction to the fundamental legal structure of Horizon Residence and the legal interests that buyers will own to secure their assets. If you have any questions after reading through the following information, please feel free to contact us and we will be pleased to answer your questions.

## INTRODUCTION TO PROPERTY OWNERSHIP IN THAILAND

According to Thai law, foreign investors are generally not permitted to own land outright. However, foreign investors may acquire up to 49 percent of the private living space in a registered condominium project. The remaining 51 percent of the private living space of a condominium must be owned by Thai individuals or Thai companies, although foreign investors are permitted to acquire a registered lease over this 51 percent. In Thailand, the longest leasehold period for a residential unit is 30 years, although investors can acquire lease renewal options to take effect upon the expiry of the first 30 year term.

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The Horizon Residence will be a luxury condominium project and therefore will offer foreign investors the opportunity to purchase freehold title for those able to acquire the first 49 percent of the private living space in the project.

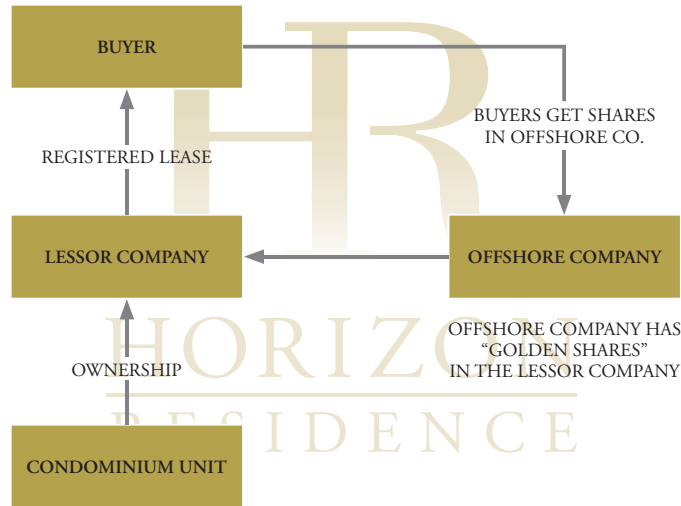
For those foreign investors who are unable to acquire within the 49 percent foreign-freehold quota, the Horizon Residence offers a savvy alternate legal structure called the “secured leasehold structure”.

Under the “secured leasehold structure”, a portion of the condominium units falling in the 51 percent Thai quota will be held by a Thai company (as noted, a Thai company may own 51 percent or more of a condominium project). The foreign investors will acquire a registered lease over their respective condominium units, in addition to lease renewal options.

In order to secure the lease renewal options, the investors will acquire equity and voting rights in the Thai “Lessor” company and therefore the ability to vote to protect the lease renewal options. The combined force of a registered lease and equity in the Lessor company provides the next best alternative to freehold title.

A more detailed description of the secured leasehold structure is shown on the next page. We would be happy to answer any questions that you might have regarding the secured leasehold structure.

## Diagram of Legal Structure of Secured Leasehold Structure



Note:

\*The offshore company will hold 49 percent of the shares in the Thai Lessor company, which is the maximum foreign ownership permitted at law.

The remaining shares will be held by the developer or related companies and investors. The shares held by the offshore company will be "Golden Shares" with special rights: before the Lessor can undertake any major decision, the positive vote of the foreign investors through the offshore company will be required, such major decisions including but not limited to the a) sale or encumbrance of the condominium and b) the decision to breach the lease renewal options.

# PAYMENT - FINANCE - FURNITURE PACKAGE

## PURCHASE PAYMENT SCHEDULE

200,000 Thb Holding Deposit per unit, the HD reserves the unit whilst the purchaser employs a lawyer to carry out Due Diligence.

30% payment (minus HD): upon signing the contracts.

20% payment: upon the completion of the building structure and roof.

50% payment: upon the handover of the unit.

## FINANCE

We have direct access to one of Thailand's biggest lenders to expatriates. Based in Bangkok and publicly listed, the lender can offer finance on foreign quota condo units. Available to foreigners (no work permit or residence required) for up to 50% of the valuation, for up to a maximum term of 10 years.

Please contact us for more information.

## FURNITURE PACKAGE

For those owners that are keen to rent their condo's out, it will be important that all the owners have a similar standard of furnishings and audio visual equipment, to this end, we will put together a furniture-AV-linen package that is suited to the rental market. The selected furnishings will be stylish, durable and not too expensive as we will be able to get better prices when we purchase in bulk. We currently have several companies putting together furniture-AV-linen packages so that we can select the best option for you.

We cannot guarantee that a loan will be provided in every case and approval will be based on criteria determined by the lending institution.

## RENTAL RETURNS

Due to our location, quality and services provided, we are fully expecting our condos to achieve net rental yields of 8% per annum; we have based the figures upon 80% occupancy in high season and 60% in the low season. (See the rental return breakdown on the next page for full details).

We already have an established network of agents in place to assist us with advertising the Horizon Residence for rentals, these include agents that specialise in French, Korean, Russian and English customers.

In addition we will advertise for rental customers via a Horizon Homes linked website, and rental sites including Agoda and Trip Advisor.

Of course, we are mindful that this will be your property and as such, we will not tie you into any restrictive rental programs. You simply tell us when you do, and do not want to use the condo and what dates you would like us to find you rental income for. You are also free to source your own rental customers if you so wish.

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We have based the rental projections based on our experience in the Koh Samui market. While the projections are not exaggerated, we provide not representations or guarantees that the rental projections or returns will be realized in any case.

## RENTAL RETURN BREAKDOWN

| Type       | Unit Size | Bed's | Daily Rental Rate Thb |            | Occupancy Level % |            | Annual Income | Gross Rental | Sale Price |
|------------|-----------|-------|-----------------------|------------|-------------------|------------|---------------|--------------|------------|
| Town House | Sqm's     |       | High Season           | Low Season | High Season       | Low Season | Thb Gross     | %            | Thb        |
| A          | 123       | 2     | 5,750                 | 4,500      | 80                | 60         | 1,276,600     | 14.83        | 8,610,000  |
| B          | 127       | 3     | 6,000                 | 4,750      | 80                | 60         | 1,339,050     | 15.06        | 8,890,000  |
| C          | 143       | 3     | 6,500                 | 5,250      | 80                | 60         | 1,463,950     | 14.62        | 10,010,000 |

High Season = Jan, Feb, Jul, Aug & Dec

Low Season = Mar, Apr, May, Jun, Oct & Nov

| Type       | Annual Income | Management Fee | Maintenance Fee | Utilities       | UBC/Internet    | Annual  | Gross Rental | Net Rental | Sale Price |
|------------|---------------|----------------|-----------------|-----------------|-----------------|---------|--------------|------------|------------|
| Town House | Thb Gross     | 30%            | Annual          | Annual (approx) | Annual (approx) | Thb Net | %            | ROI %      | Thb        |
| A          | 1,276,600     | 382,980        | 103,320         | 75,000          | 30,000          | 685,300 | 14.83        | 7.96       | 8,610,000  |
| B          | 1,339,050     | 401,715        | 106,680         | 80,000          | 30,000          | 720,655 | 15.06        | 8.11       | 8,890,000  |
| C          | 1,463,950     | 439,185        | 120,120         | 80,000          | 30,000          | 794,645 | 14.62        | 7.94       | 10,010,000 |

We have based the rental projections based on our experience in the Koh Samui market. While the projections are not exaggerated, we provide not representations or guarantees that the rental projections or returns will be realized in any case.

## Price List

### HORIZON RESIDENCE TOWN HOUSES

| Unit | Size Sqm's   | Bedrooms | Price Thb |
|------|--------------|----------|-----------|
| A1   | 123          | 2        | 8,610,000 |
| A2   | 123          | 2        | 8,610,000 |
| A3   | 123          | 2        | 8,610,000 |
| A4   | 123          | 2        | 8,610,000 |
| A5   | RESERVED 123 | 2        | 8,610,000 |
| A6   | RESERVED 123 | 2        | 8,610,000 |

| Unit | Size Sqm's   | Bedrooms | Price Thb  |
|------|--------------|----------|------------|
| B1   | SOLD 127     | 3        | 8,890,000  |
| B2   | 127          | 3        | 8,890,000  |
| B3   | 127          | 3        | 8,890,000  |
| B4   | 127          | 3        | 8,890,000  |
| B5   | RESERVED 127 | 3        | 8,890,000  |
| B6   | SOLD 127     | 3        | 8,890,000  |
| C1   | SOLD 143     | 3        | 10,010,000 |

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# TOWN HOUSE PLANS

