

KAUTHARA – BENEFITS OF VILLA OWNERSHIP

Villa owners at Kauthara will receive a variety of valuable benefits, including:

- Almost immediate return on investment from revenue generated in the rental pool programme.
- 30 days of free owner usage per year.
- In the Villa Exchange Programme, owners can also exchange their 30 days free stay with villas in other Epikurean affiliated resorts or partner hotels.
- Revenue share to owner from rentals. (See Villa Rental Programme below)
- Up to 40% discount on resort facilities (including spa treatments, food & beverage experience, in-villa dining, chef on demand, rental of beach club equipment and rental of the resort's luxury yacht.)
- High property appreciation. Land value will continue to rise as the project is one of the very few freehold luxury developments in Vietnam. Nha Trang has also become a premier tourist destination in South East Asia.
- Access to promotional and special opening prices at new Epikurean resorts
- As an owner, you will have complimentary use of our exclusive Sunseeker 85 foot yacht for 2 weeks every year to enjoy your own private dinner cruise, or to go exploring the surrounding islands. Additional income may also be earned by foregoing your 2 weeks free usage and assign this time to the yacht's rental pool.
- Income from Villa Rental Programme (see below)
- Access to Epikurean Private Residences' expanding portfolio. For more information, please visit <http://www.epikureanresorts.com/>

VILLA RENTAL PROGRAMME

As a villa owner, you are entitled to 30 days of free use per year. When you are not in residence your villa will be placed into a compulsory rental pool programme which is operated by the hotel management company.

The operator will place 20% of room revenue into a reserve fund which will cover the expenses associated with the maintenance of villa furniture, fixtures and equipment, and those expenses associated with the rental of your villa such as housekeeping, laundry and the daily room amenities provided to all villa guests.

After deduction of expenses mentioned above, room revenue will then be allocated between the owner and the operator as follows:

Until 6% gross yield on investment: Villa owner will receive 70% of Room Revenue, and the operator will receive 30% of Room Revenue.

When gross yield exceeds 6%: Villa owner will receive 40% of Room Revenue, and the operator will receive 60% of Room Revenue.

Revenue distribution described above will apply after deduction of the reserve fund.

INVESTMENT RETURNS

The following table is a typical example of potential investment returns based on current market conditions, and assumes a purchase price of USD 3M with a resale within 5 years of purchase.

Occupancy	Capital Appreciation				
	25%	45%	75%	95%	125%
25%	7.18%	10.11%	13.98%	16.29%	19.44%
35%	7.16%	10.10%	13.97%	16.28%	19.43%
40%	7.18%	10.11%	13.98%	16.29%	19.44%
50%	7.25%	10.18%	14.06%	16.37%	19.52%
60%	7.32%	10.25%	14.13%	16.45%	19.60%
70%	7.42%	10.36%	14.24%	16.55%	19.71%

OWNERSHIP COSTS PAID BY THE OPERATOR

The owner has the benefit of not having to pay for any of the following expenses as they are all either all paid by the Operator, or covered by the reserve fund:

(a) sales, international sales offices, agent representatives; (b) marketing, advertising, brochures; (c) Operator's remuneration; (d) website and online marketing; (e) reservations, bookings, guest communication, call center; (f) villa cleaning; (g) guests relations and concierge; (h) accounting and bill collection; (i) recruitment, training and management of villa staff; (j) laundry and linen costs; (k) in-villa amenities; (l) services and maintenance common fee; (m) property insurance; (n) monthly utility costs; (o) laundry and cleaning costs with in residence.

VILLA CUSTOMISATION OPTIONS

The interior of your villa can be customised to reflect your personal lifestyle. As such, our architects can offer you attractive options to customise your villa. Additional charges will be applicable for customisation. No changes are permitted to the exterior.

LAND & VILLA PURCHASE AGREEMENTS

The land for your villa is freehold and you will have a title deed to both land and villa. They will be purchased via an approved Foreign Direct Investment Vietnamese Company (FDI). This can then be legally owned either directly by yourself or another nominated company.

OWNERSHIP AGREEMENTS

Ownership will be legally structured via a Master Agreement. Owners will sign a Maintenance and Management Agreement, allowing the operator to operate and rent the villas as part of the Villa Rental Programme.

FEES & TAXES

Costs for these items can vary according to your country of residence, local laws and your personal financial structure. We are able to offer you some general advice, but recommend that you seek the services of a professional tax accountant for specific advice on any applicable liability. We can recommend specialists in this area to advise you.

RESALE & ASSIGNMENT

Prior approval of the developer (which shall not be unreasonably withheld) is necessary for re-sales. Re-sale is only possible after your villa is paid in full, and after Phase Two is completed. If your villa is sold to a purchaser who is introduced to you by the developer or any member of our staff, we will charge an assignment fee of 3% of the resale price.

Epikurean Hotels & Lifestyle has built a global network of agents and intermediaries who

are at the top end of luxury real estate specialists in their countries and understand Epikurean's value proposition. We would be happy to help you resell your villa at if requested to do so. Epikurean will always recommend your villa for resale if informed in advance.

We will always give our owners first option for resale when we receive either direct enquires or via our global sales force

MODIFICATIONS TO VILLAS

Villas are built to maximum comfort and operational efficiencies. The developer's written approval is necessary only if you wish to modify your villa. No exterior alterations are permitted to villas.

WARRANTIES

The design life span of structural elements is in excess of 25 years. Interiors and fit out come with individual workmanship and manufacturers' warranties of 12 months from the date of installation/completion. (All warranties are subject to normal wear and tear. Full details will be available in the sale contract.)

It should be noted that all villas at Kauthara are designed and constructed to use the highest quality materials, which have been selected specifically for their durability to withstand the demands of the local climate.

PAYMENT SCHEDULE

The payment schedule is as follows:

- A 5% deposit is required to secure your villa (refundable in 30 days);
- An additional 10% is due upon contract execution;
- 30% due upon 1/3 completion;
- 30% due upon 2/3 completion;
- The remaining 25% is due upon completion of your villa.

All deposits are non-refundable unless stated.