

Introduction

The Elysian Boutique Villa Hotel opened on October 1st 2005. A self-contained, private villa hotel, it offers individuals an opportunity to own an outstanding lifestyle investment property that benefits from highly professional management and innovative marketing strategies.

Located in Seminyak, Bali's most fashionable district, the Elysian is a stone's throw from a fabulous white-sand beach and many renowned high-end restaurants and bars. The Elysian is a member of Design Hotels, Hip Hotels and was recently presented with the prestigious '2009 Tablet Hotels Selection Award'.

The property consists of 26 spacious one-bedroom villas each with a separate living area, luxury bathroom, private swimming pool and sundeck. Common facilities feature a restaurant, bar, lounge, lobby boutique, spa, library and meeting room and a 25-metre main pool.

The Elysian exemplifies the new wave of tropical, modern architecture and is built according to international standards, setting a new benchmark for contemporary properties in Bali.

Concept

The Elysian recognizes the trend for affordable luxury without compromise. Features normally associated with five star luxury resorts – high levels of design and attention to detail and service – come as standard, but at a far more reasonable price.

So what exactly make the Elysian so special?

There are just 26 villas, a wide range of modern facilities such as wireless broadband internet access both in the villas and all common areas, and a professional and result driven management team.

Privacy and individualism have always been the hallmark of villas in Bali, however, few commercial developments have adequately addressed the growing demand for one-bedroom villas in such a comprehensive fashion. The use of space and ergonomic design has been carefully planned to create accommodation with a high degree of privacy and a unique sense of space. Comfort driven features include climate control, with both ceiling fans and air-conditioning, day beds that convert easily into extra beds and a custom designed sunken bath and shower.

While the focus on guest comfort is a priority, behind the scenes there are many practical elements such as discreet maintenance panels opening up onto the service areas – an example of the level of thought and planning which makes the Elysian the unique property it is today.

The Elysian is an ideal villa hotel to market globally, for both wholesale and retail agents, and allows the management to achieve an efficient cost structure through economies of scale. This is an investment property that capitalizes on a previously unfilled market opportunity bringing with it the added bonus of owning a professionally managed and comprehensively designed island getaway.

Design

The design of The Elysian epitomizes the "New Bali" look, following traditional rules in terms of scale and proportion, whilst introducing a contemporary ambience and sense of style.

A great deal of thought and planning went into creating style that not only looks and feels great, but also works equally well from both the guest experience and maintenance perspective. Materials have been selected to please both aesthetically, as well as practically.

Location

The Elysian boutique villa hotel is located on a prime block of land, approximately 6,800 square metres (just under two acres) in Seminyak – Bali's most sought after district – and just eight kilometres from the airport.

Glamorous and seductive, Seminyak is where an international mix of celebrities and cosmopolitan jet-setters flock to shop, party and indulge. The Elysian is tucked away in a quiet location yet is only a few minutes from the centre of Seminyak with its hip homeware and fashion stores, gourmet cafés, restaurants and bars that represent the islands luxury lifestyle. Nearby are many famous landmarks such as the Oberoi Hotel, Ku d Ta restaurant and Seminyak beach.

Villa Specification Outline

Roof

- Bedroom and open plan living area: insulated, reinforced concrete slab with extended overhang above bedroom doors to deck, the main entrance and pool

Walls

- Entrance: local textured stone finish with skirting and capping
- Exterior Walls: sand rendered with emulsion paint finish
- Interior: hollow block with smooth cement plaster render and emulsion paint finish

Deck and Pool

- Sun Deck: local hard wood decking Bengkerai
- Pool and Planters: Celadon green quartz natural stone tiles with selected capping on planters; sunken step to pool from deck
- One double sun lounger with sunbrella upholstered cushions; picnic table with stools in local timber

Bedroom

- Floor: pre-cast terasso tiles
- Doors to deck: full height timber-framed doors with tempered glass on sliding track; stainless steel hinges, handles and lock
- Door to living room: solid timber door with decorative timber beading on both sides; floor mounted spring closer with stainless steel hinges, handles and locks
- Door to bathroom: double panel, timber sliding doors with full height mirror cladding on both sides; on recessed sliding track with nylon bearings
- Wardrobe: full height double-sided unit:
facing the dressing area – double wardrobe with hanging rails, built in sliding drawers and personal safe;
facing the bed – television mounted in a recessed unit
- Bed: built-in king size bed with King Coil mattress, attached headboard and shelf. Additional side tables on both sides of bed with reading lights
- HD LCD TV and Apple TV
- Ceiling: suspended ceiling in seamless plaster with emulsion paint finish, recessed dimmer control lighting and ceiling fan
- Air conditioning: split, remote control unit concealed above wardrobe by a decorative grill fascia
- Curtains: double layer curtains – underlying sheer fabric with additional black out curtains on sliding rails

Bathroom

- Floor: pre-cast terasso tiles.
- Vanity table: marble top with inset porcelain basin and stainless steel taps; mirror above and shelving for guest amenities

and toiletries; additional storage shelving

- Door to bedroom: double panel timber sliding doors with full height mirror cladding on both sides, on recessed sliding track with nylon bearings
- Door to living room: solid timber door with decorative beading on both sides, with stainless steel hinges, handles and locks
- Toilet cubicle: toilet and bath areas separated by timber and frosted glass panels; stainless steel towel rail on exterior
- Door to toilet: flush, painted timber door with stainless steel hinges and locks
- Toilet: ceramic toilet bowl with hidden cistern and shelf behind
- Bath and shower: sunken double-volume bath with inclined back-rest in tumbled marble tiles; dual bath and shower controls; bath and shower operate off separate water tanks to ensure constant supply of hot water; built-in shelving
- Ceiling: suspended ceiling in seamless plaster with emulsion paint finish, recessed lighting and extractor fans
- Wardrobe: full height built-in wardrobe with hanging rails, sliding drawers and storage shelving for luggage

Living Room

- Floor: pre-cast terasso tiles
- Desk: side-board style desk with slide out drawers for signature stationary; BOSE Sound System for iPod; telephone and Wi-Fi dedicated broadband internet connection points
- Selected artwork on walls
- Feature mirror at 2-metres high
- Entrance Door: solid timber door with decorative beading on both slides, with stainless steel hinges, handles and locks
- Ceiling: suspended ceiling in seamless plaster with emulsion paint finish; recessed lighting with dimmer controls; ceiling mounted fan
- Air conditioning: split unit attached to wall and operated by remote control
- Two built-in day beds: King Koil mattresses, 80 x 120 cm; with sliding linen and storage drawers; upholstered mattresses and cushions
- Windows to pool: timber framed sliding bi-folded windows with tempered glass panels; concealed sliding tracks with nylon bearings, stainless steel hinges, handles and locks
- Two coffee tables in local asam timber
- Dining table and four dining chairs
- Kitchenette: recessed built-in unit with marble counter top, bar sink and fridge, shelving, storage and amenities for four people

General

- Linen, towels, decorative artwork, and other guest amenities are supplied by the Management Company to complete the villa inventory
- Landscaped areas include selected grass, shrubs, shade trees, and scented plants
- Common area facilities, operating equipment, furniture fixtures and fittings as selected by the Management Company.

Ownership Structure

The lease on The Elysian is secured until 2033 (a thirty year lease) with an option to extend for a further thirty years.

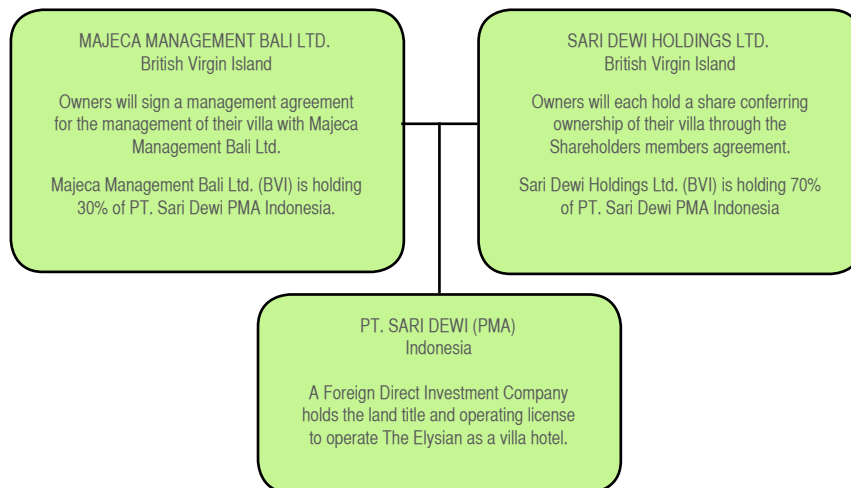
The title is held by PT Sari Dewi – a PMA (foreign direct investment company, see below*) established specifically for this project. PT Sari Dewi holds all licenses necessary to operate the villas as a hotel.

PT Sari Dewi is 70% owned by Sari Dewi Holdings Ltd (BVI), an offshore owners company registered in the British Virgin Islands, and 30% owned by Majeca Management Bali Ltd. (BVI) a company formed to manage the villas on behalf of the Shareholders.

The share division is based on the percentage of land occupied by villas in relation to the land occupied by common area facilities.

Sari Dewi Holdings Ltd (BVI) will transfer one (1) share to each owner (corresponding to an individual villa and governed by the shareholders agreement) giving them effective ownership of the respective villa.

* Under Indonesian law the most secure form of foreign property ownership is through a foreign direct investment company or PMA. This title structure allows owners to sell their villa(s) via a simple share transfer offshore without the need to assign a sub-lease. This ownership model offers owners the most sound legal and tax efficient structure possible.



Management

Majeca Management was established to oversee the management, marketing and maintenance of The Elysian and will maintain an active involvement in the project through its shareholding in the resort. All owners enter into a management agreement as a condition of purchase: this agreement governs the responsibilities of both Majeca Management Bali Ltd. (BVI) and individual owners.

The Management Company is responsible for the following services:

- Financial control
- Marketing including room rate setting, negotiation and approval of contract room rates, travel agent and other commissions, direct marketing, promotional and discount rates and policies
- Recruitment, training and staff management
- Operation and maintenance of common area facilities
- Insurance policies for all villas and common area facilities
- Negotiation and approval of contracts with third party service providers including satellite television, broadband internet, telephone, security, safety equipment, waste and pest control, laundry, air-conditioning, pool cleaning and servicing among others
- Routine and minor maintenance of villas and common areas
- Payment of applicable local taxes, license fees, and Banjar contributions (this is similar to a local council or shire)

Calculation of Owners Income

Villa rental will be pooled, so all villa owners receive an equal share of net rental income, minus the value of any nights occupied by owners.

Payment of Owners Income

Owners will receive a monthly statement detailing their net monthly income.

Payment of owner's income will be made on an annual basis by the 31st January of the commencing year.

Maintenance fees are fixed and are payable in year one (1) on a bi-annual basis. In subsequent years owners will have the option of offsetting maintenance fees from their annual expenses. These expenses are designed to cover essential operating costs of your villa. including:

- Staff costs
- Housekeeping
- Pool and garden maintenance
- Routine and minor maintenance and servicing
- Charges for satellite television, broadband and telecommunications
- Power and utilities

US\$1,000 of the maintenance fee paid by each owner will be placed in a special reserve account to be utilized as required for major maintenance and replacement in the future.

Management and marketing fees are calculated at 20 % of the nett villa rental and will be indicated in the owners' monthly income statements.

Frequently asked questions

A. General Enquiries

Why are the villas all 1 bedroom?

From our experience, there is a high demand for one-bedroom villas in the travel industry. From a marketing point of view the one bedroom pool villas, common facilities, location and pricing, make The Elysian an ideal product for international travelers.

Although all villas are one bedroom, they have been designed with two day beds in the living room which can convert easily to extra beds for children and a second wardrobe has been included in the bathroom with this in mind.

From our research, return on investment is greater on one bedroom villas than on larger configurations.

Can I decorate my villa to my own taste?

Villas cannot be decorated to individual taste. This is to retain a consistent product for effective marketing. In addition, from an operations standpoint, a standard set up makes housekeeping and maintenance easier and more efficient to manage. Likewise, items cannot be removed from the villa as they are treated as assets of the business.

What are the advantages of buying a villa within a complex?

- Economies of scale
- Security
- Facilities
- Pooled costs and revenue
- Increased rental potential

B. Legal Structure

Is foreign ownership possible in Bali?

Foreign ownership of freehold land is not legally recognized, however, foreigners may hold leasehold title in their own name, for a maximum of 20 years, or as with The Elysian, a Foreign Direct Investment Company can hold leasehold title for 30 years with extensions for another 30 years.

What are the advantages of The Elysian ownership structure?

We believe the ownership structure of The Elysian is the most secure form of foreign ownership. It also provides a clean and tax-efficient process should you wish to sell your villa in the future.

What are the applicable laws for this structure?

Although the lease of the land is governed by Indonesian laws, all agreements with the purchaser are governed by the laws of British Virgin Islands, with controversies/claims arbitrated according to International Trade Law.

What taxes must be paid if I want to purchase or sell my villa?

All villa sales and purchases are transacted offshore under the BVI company and therefore owners have no tax involvement within Indonesia.

What happens if I decide to sell my villa?

If you decide to sell, you are free to do so at whatever price you wish, the actual sale is simply a sale of your share in the offshore owners company and is tax efficient. Majeca Management will be happy to assist any owner wishing to sell.

What happens when the current 30 year lease runs out?

We have an option to extend the lease for a further 30 years based on an independent land valuation at the time. As we would have to extend the lease for the entire property, the cost of the extension would be divided amongst all villa owners.

What if I decide against buying at any time before the closing date or if any payment is late or not made?

Once you have signed a letter of intent, we normally ask for a deposit within 14 days and then allow another 14 days for due diligence. However, exact terms are subject to the current owners approval and depend on individual circumstances.

If you withdraw from the sale, a financial penalty may be incurred. For example, a deposit may be refunded but without interest and less any bank charges, wire transfer fees and applicable taxes.

We are happy to discuss this further.

C. Owner access

How long can I use my villa for in any year?

Owners may stay for a continuous period of one (1) month or an aggregate of 42 days in one (1) year without any room charge.

Are there any charges?

No – unless you exceed the above period, in which case US\$175++ per villa per night is charged.

Can I use other facilities and services?

Of course and all owners receive a discount of 20%, at the discretion of the Management, on services such as food and beverage, spa treatments, minibar, etc.

What happens if I want to stay in my villa and it is already booked?

As long as there is availability, you will be offered another villa. This will be treated the same way as if you were staying in your own villa.

What are the expected utility and maintenance expenses of the property per villa?

An annual fixed fee of USD\$14,520 will be charged for the current year. Half of this fee (50%) will be payable in advance for the first year. This fee only will increase each year in line with Indonesian Inflation up to a maximum of 10%, if applicable

20% of net rental income (after tax, service and agents fees) and any of the inclusive costs such as inclusive breakfasts

What about insurance?

The management company will take out an all risks insurance policy in line with normal hotel standards for the whole property.

What marketing would be done to attract rentals?

- Professional service aimed at achieving a high rental yield and a successful investment.
- Associations with top-end wholesalers
- Optimization of The Elysian website to achieve higher direct booking to get a higher nett room rates



SITE LAYOUT