



## 73 Rowland Drive, North Chatham, Cape Cod, Massachusetts Executive Summary

Since 2013, Lifestyle Asset Group has been the pioneer of a smart and sensible ownership model where a small group of like-minded investors own, debt free, a luxury second home with each investor only paying their share of the purchase and ownership costs.

It is truly an investment model that is changing vacation home ownership for the better.

### **The features of the second home partnership model are:**

- A Single Purpose Entity (SPE) Limited Liability Company (LLC) is created to purchase the property
- The total capital raise is \$2,936,102, which includes the \$2.6m purchase price, LLC reserves, all-new interior design, closing costs and LAG's syndication fee for putting the partnership together
- A limited number of investors are admitted to the LLC
- Investors' capital contributions are 100% secured by the property which is acquired in an all-cash transaction. No debt is permitted within the LLC.
- Ownership costs and personal usage are shared based on the number of weeks acquired.
- Investors have voting rights within the LLC.
- Zero-hassle ownership and five-star personal travel and concierge services.
- Defined exit strategy in 8 years with no resale obstacles. At the end of the LLC term, the property is sold at the highest possible value, all initial capital contributions for the acquisition are returned in full and net appreciation is shared by the investors based upon their ownership level.

## Cape Cod Equity Interest Options

Total capital raise = \$2,932,102

<u>Month</u>	<u>Price/week</u>	<u>% of Equity in Property</u>	<u>Annual Fees</u>
January	\$0	0%	\$0
February	\$0	0%	\$0
March	\$0	0%	\$0
April	\$0	0%	\$0
May	\$95,000	3.22%	\$3,510
June	\$120,000	4.07%	\$4,434
July	\$150,000	5.08%	\$5,542
August	\$150,000	5.08%	\$5,542
September	\$95,000	3.22%	\$3,510
October	\$50,000	1.69%	\$1,847
November	\$0	0%	\$0
December	\$0	0%	\$0

### Holidays

Thanksgiving Week	\$95,000	3.22%	\$3,510
Christmas Week	\$95,000	3.22%	\$3,510
New Year's Week	\$95,000	3.22%	\$3,510
Memorial Day	\$165,000	5.59%	\$6,096
July 4 <sup>th</sup>	\$170,000	5.76%	\$6,281
Labor Day	\$170,000	5.76%	\$6,281
Christmas By the Sea	\$50,000	1.69%	\$1,847

### Investment Examples:

- **5 weeks per year:** Memorial Day week, 2 weeks in June, 2 weeks in August = \$705,000 contribution, 23.89% equity ownership, \$26,048 annual fees
- **4 weeks per year:** 1 week in May, 2 weeks in July, 1 week in August = \$545,000 contribution, 18.46% equity ownership, \$20,136 annual fees
- **2 weeks per year:** Labor Day week, 1 week in June = \$290,000 contribution, 9.83% equity ownership, \$10,715 annual fees

### Some things to clarify:

- There are 26 out of 52 weeks per year of desirable weather in Cape Cod: May 15-October 15.
- To raise the capital and acquire the home with no debt, the LLC is assigning investment values only to these weeks.
- October 15-May 15 are not assigned an investment value. These weeks will remain open and available for all partners to enjoy as free space available use.
- Partners can pick the exact week(s) they want to enjoy Cape Cod each year and the exact percentage of equity they want in the property.
- When the home is sold in 8 years, investors will first get their original capital contribution returned, plus their share of any appreciation based on the equity they own.