



## **Private Escapes Pinnacle Frequently Asked Questions**

### **1. What is Private Escapes Pinnacle?**

Private Escapes Pinnacle is the third and most distinctive offering from Private Escapes Destination Clubs. After perfecting the model through Private Escapes Premiere and Platinum, Private Escapes is pleased to announce the introduction of Private Escapes Pinnacle. Members receive the same storied service that Private Escapes Premiere and Platinum members have come to expect and unmatched access to three-million-dollar homes across the globe.

### **2. How does Private Escapes Pinnacle compare to timeshares and fractional ownership?**

Timeshares and the latest iteration, fractional ownership, are ways of purchasing access principally to a single destination for a specific week of the year. In order to maximize developer profit, both timeshares and fractional properties sell out nearly every week of the year. Fractional ownership properties often have an owner-to-property ratio of 12:1, while timeshares are generally 50:1. This structure significantly restricts their availability and convenience.

Conversely, Private Escapes allows our members virtually unlimited access to our entire portfolio of residences when they want, not simply on a specific week each year. This is done by maintaining a member-to-property ratio of approximately 6:1, thereby purposely underutilizing each asset which allow for any combination of planned trips and impromptu getaways.

### **3. What are the costs associated with membership?**

Members pay a one-time membership deposit, which is 100% refundable for a limited number of Charter Members, if you ever wish to exit the club. An individual membership deposit is \$325,000. Membership deposits will periodically increase as the club membership grows and until the Club is fully subscribed.

Members pay annual dues, billed annually, of \$22,000 per year and \$194 for nightly fees. The combined fees afford our members lifetime access to a broad portfolio of properties in the most exclusive enclaves of the world.

### **4. What differentiates you from your competitors?**

Private Escapes Destination Clubs is the only Club in the industry that combines:

- Unlimited annual access for members – or, flexible Extended Family and Corporate options so friends, family, and business partners can enjoy the Club.
- A member-to-property ratio of 6:1, with all homes in the portfolio owned, not leased, and thus insuring the security of your membership deposit.
- A sound financial structure and unprecedented transparency, including independently audited financial statements available each year to members, an elected board of managers with voting and oversight powers, and a Members Only website that tracks all performance aspects of the Club.
- No minimum stay requirements or limitations on days you may travel – members can make reservations for tonight or years from now, for one night or fourteen, for any days of the week they wish.
- A demonstrated track record of Club stability, growth, and services since inception.
- An average of one to two new properties acquired each month.

### **5. How does the Private Escapes reciprocity model work?**

Reciprocity between Premiere, Platinum, and Pinnacle exist to enrich all of the Private Escapes offerings. Each club affords their affiliate club's members an opportunity to utilize the homes and residences of the other clubs to experience the full range of Private Escapes Club membership.

The reciprocity allowance provides for a total inter-club usage of 10% of available nights. Actual usage has classically been under 5%. In this model, residences will still be vacant nearly 50% of the time, allowing for greater availability for club and sister club members. Through reciprocity, all clubs increase the number of destination and residences available to members, both in their principal club and their affiliate clubs. This means more properties and greater availability for your vacations.

### **6. What is the process to become a member?**

The steps in becoming a member of Private Escapes are:

- a. Comprehensive review of club offerings and associated collateral with a Membership Director
- b. Submission of Member Reservation Agreement and refundable deposit
- c. Delivery of confidential club information regarding benefits, rules and regulations, and membership enrollment materials.
- d. Due diligence phase including speaking with other members, financials, and other resources to determine if membership is a proper fit for your travel needs.
- e. Final funding of balance due, including first quarter's portion of annual dues.

### **7. How do I know Club Membership is a fit for me?**

Private Escapes Destination Clubs offers you the ability to spend every minute of your vacation on vacation. From the moment you call your Escape Planner – your dedicated personal travel assistant – to book a trip, every detail is taken care of, from your airline reservations to your children's favorite cereal in the pantry. Club residences are located in the world's finest cities and resorts, and each includes an in-residence concierge who will make certain your trip is perfect. No concerns, no hassles, no worries – just travel at its best, again and again.

### **8. What can I expect from my Private Escapes Pinnacle experience?**

Located in the finest city and resort locations around the globe, Private Escapes Destination Clubs offers you the ability to spend every minute of your vacation *on vacation*. From the moment you pick up the phone to call your Escape Planner – your dedicated personal travel assistant – to book a trip, every detail is taken care of, from the airline reservations to your cereal in the pantry for the children. Private Escapes Pinnacle homes also have home office capabilities including computers and all-in-one printers so you can continue with business or ignore to your heart's content.

**9. If I decide to resign, what is the process?**

After a minimum of 18 months of club membership, memberships may be transferred to the Club by placing the membership on the Resignation Waiting List. The membership is then resigned and reissued on a first-requested, first-resigned basis as follows: Every third membership issued by the Club will replace a membership from the waiting list. After the club is fully subscribed, each new membership issued will replace a membership from the list. To date, we have had to only redeem three members and each was refunded on the first day they became eligible. Feel free to ask and we will put you in touch to discuss the process in greater detail.