



Private Escapes Destination Clubs Frequently Asked Questions

1. What is Private Escapes Destination Clubs?

Private Escapes Destination Clubs operate much like a private country club. However, rather than a country club's golf course, spa facilities, workout rooms, and restaurants, Private Escapes members enjoy access to stunning homes in the world's finest destinations and resorts. For far less than owning a single second home, our members travel to more than 60 properties, enjoy access to a dedicated trip planner, 24/7 in-residence concierge support, full housekeeping services, and much more.

2. How does Private Escapes 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 used to fund real estate acquisitions, that 80% refundable if you wish to exit the club. Membership deposits will periodically increase as the club membership grows and until the Club is fully subscribed.

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 one to two new properties acquired each month.
- Three distinct club levels that are designed to offer members their choice of how and where they want to travel, as well as reciprocal club usage for an even more dynamic travel experience.

5. What are your three club levels?

Private Escapes is the only club in the industry that offers three distinct club levels that aren't determined by the number of nights you want to travel per year, but by the homes and destinations you would like to visit. Each club has their unique travel aspects, but as a Private Escapes member, you will be allowed to access the homes in all three clubs through our distinctive reciprocity model.



Sensible Luxury

Our original club and the first affordable club in the industry. This club is for the discriminating traveler who wants to explore the globe, with each residence featuring all the comforts of your own home.

Each home is elegantly appointed and fully equipped to ensure you have all the comforts of your own home while you travel, including high thread-count linens and state of the art electronics.



Discerning Luxury

The second Private Escapes offering. At over \$1.5 million, these homes offer the perfect option for the family getaway. This new concept in luxury travel allows you to stay in jaw-dropping private residences around the world at a fraction of the cost of

second home ownership. Traditionally between three to five bedrooms and over 3,000 square feet, each home is lavishly appointed so each and every escape is hassle free.



Luxury Defined

After three years of perfecting the destination club concept with our two additional club offerings, we created Private Escapes Pinnacle, the third and most distinctive destination club. These homes allow you to create memories with family and friends, providing room for

everyone to be together and space for everyone to be apart.

6. 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.

7. 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.

8. How do I know Club Membership is a fit for me?

Anticipated usage, benefits, and economics are often the primary decision factors. If you are looking for full asset appreciation, 100% availability, and don't mind the significant overhead costs and effort to maintain another property, perhaps purchasing a second home would be the right step. On the other hand, if you want many more vacation options, have schedule flexibility, and want hassle-free travel experiences, Club Membership makes a lot of sense.

9. What can I expect from my Private Escapes 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 to book a trip, every detail is taken care of, from the airline reservations to your cereal in the pantry for the children.

10. Do you offer introductory memberships to learn more about the Club?

Yes, we offer what we call Preview Memberships for each of our club levels, allowing you to experience the club experience for a fraction of the full membership deposit. Simply put, a Private Escapes test drive. See our homes and work with our excellent service team first hand to see why we were rated as "world class" by a third party research firm.

11. 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.