

My Vacation Home LLC

Lifestyle Asset Group Introduces the Affordable and Sensible Way To Own a Luxurious Vacation Property



Let the Renaissance Begin





Today's Vacation Home Market

Owning a vacation home is the aspiration of many Americans. Last year, 18% of all homes purchased were vacation homes, which totaled nearly 1,000,000 properties with an aggregate value of approximately \$160 billion. Only 24% of the buyers of these vacation homes plan to rent their property to generate rental income and offset the costs of ownership. In balance, 76% intend to enjoy their residences with family and friends even though, data shows on average, they'll do so for just over 30 days per year. ^[1]

The Quandary

Why do the vast majority of owners use their vacation homes for just 8% of the year while paying 100% of the expenses? ^[2] The answer is quite simple: There have been no sensible alternatives for people looking to buy a vacation home in a beloved destination.

Case in point is the traditional fractional ownership model. The fractional industry has seen extraordinary market share loss in the last 10 years, plummeting by 85% from \$1.8B to just \$400M in 2017. There are a host of contributing factors for this startling free-fall. ^[3] However, the fundamental reason is simply that there is NO resale market for a buyer's fractional interest. This is because developers commonly mark up the value of the underlying real estate by 50% or more in the fractionalization process, while the resale of a fractional interest is typically 35% to 40% of the original purchase price. And many listings never sell at all.

^[1] National Association of Realtors (NAR) year-end report.

^[2] On a cost per night basis, this can be very prohibitive — particularly so with mortgages, which occur in approximately 70% of all transactions. Additionally, insurance costs in coastal communities can run as high as \$30,000 per year. When you add property taxes, repairs, maintenance, HOA or Community Association Dues, utility charges and more, those 30 nights of vacation bliss can come at a cost of \$2,000 to \$3,000 per night, or even more.

^[3] This includes complicated reservation processes that are necessary for projects with 100's of owners and scores of identical units.



The Solution

Undeniably, the desire for a family getaway is strong. Yet, with the fractional purchase option off the table and the cost of going it alone prohibitive, what is needed is an entirely new alternative, one that is both an affordable and sound investment.

Lifestyle Asset Group has developed a game-changing solution, called “My Vacation Home LLC”. ^[4] This is a shared ownership model that allows you to choose how much you want to invest in the property and how many weeks a year you want to travel, while providing a transparent and genuine investment opportunity.

Here's how it works: An LLC is formed to purchase a single remarkable vacation home. The home is put under contract and a limited number of LLC interests are released. Upon closing, the shareholders own the vacation home free and clear.

Lifestyle Asset Group debuted My Vacation Home LLC model with LifestyleWaterColor, LLC. WaterColor is a charming beach community on Florida's Gulf Coast. The LLC acquired a spectacular home at 33 Sand Hill Circle for \$2,725,000 and offered 8 exclusive shares to those with a strong interest in this coveted destination. The response was tremendous — in just 60 days all 8 shares sold and the property closed.

The debut of My Vacation Home LLC was a success for a very clear reason. While each of the acquiring LLC members loved that they would enjoy their Watercolor residence around 35 nights per year, what resonated with them was that it is an affordable and sensible investment opportunity.

^[4]

This shared ownership model is offered as a securities offering under Regulation D of the Securities Act and more specifically, under Rule 506c.



Affordable Numbers

As an example, each of the eight shareholders of LifestyleWatercolor, LLC invested approximately \$360,000. The combined capital funded an all cash purchase of the \$2,725,000 property. The annual costs per year, when divided among the shareholders is only \$18,000. This makes the cost for 35 days of annual enjoyment at the WaterColor home around \$514 per night. The home is 4,621 square feet, 6 bedrooms, 6.5 baths with interior design appointments in excess of \$500,000. To compare, a 320 square foot, single queen room at The WaterColor Inn averages \$441 per night, plus taxes.

Sensible Exit Strategy

The exit strategy for My Vacation Home LLC's was developed by Lifestyle Asset Group to ensure shareholders have a genuine investment opportunity. The term of each LLC is 6 to 8 years, a length that mirrors the holding period of vacation homes in general. At the end of the term, the residence is sold by Lifestyle Asset Group on behalf of the LLC at its highest possible value. Each shareholder's capital contribution is first returned in full, and 85% of property appreciation is then shared equally. ^[5] Upon the orderly completion of the sale and disbursements, LLC members can pursue other vacation interests and investments. The shareholders can vote to extend the term via a supermajority vote.

^[5]

Each LLC member will also be given first right of refusal to acquire the home before it is listed for sale. Lifestyle Asset Group earns 15% of the property's net gains as compensation.



A Better Vacation Home Investment in Every Way

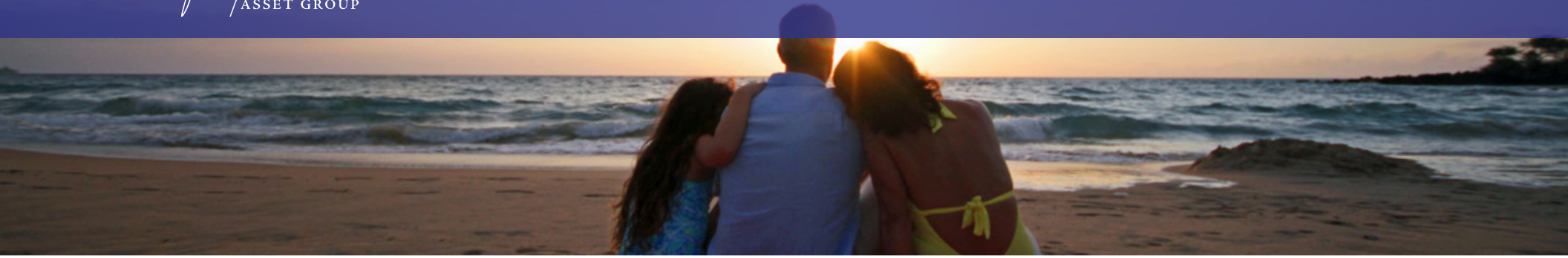
With My Vacation Home LLC, people who desire to own a vacation home in a destination they love, can join an exclusive group of like-minded shareholders and enjoy a multi-million dollar property and pay just their pro rated portion of the acquisition and annual costs. In eight years, depending on the LLC term, the property is sold at its highest value, capital contributions are refunded, and the increase in property value is distributed based on percentage of ownership.

Most importantly, with a highly flexible reservation system and all management demands of vacation home ownership seamlessly handled by Lifestyle Asset Group, families and friends are free to relish every moment of their vacations together and create memories for a lifetime.

My Vacation Home LLC *is that* affordable and sensible alternative whose time has certainly come.

"WOW! We just completed the inaugural visit to our Timbers Kauai Laola townhome. This place is first class, all the way. Beautiful home, beautifully furnished, unbelievably beautiful location. It doesn't get much better than this... This is the Hawaiian luxury getaway we've been waiting for; to invest and to enjoy. We couldn't be happier and can't wait to return to "our place" on Kauai."

Mark and Patty, Sacramento



"Still recovering from our wonderful first stay in Laola 1004 ... you guys totally knocked it out of the park on this one."

Steve & Christie, Kauai Investors

"As frequent renters along 30A we felt like this was a great way to get into the ownership of a luxury property without the hassles. Purchasing a well-located luxury home debt-free was appealing to us, as is sharing ownership expenses with our co-investors."

Mike and Susan, Nashville

"My wife and I are starting to plan for retirement and several of our friends have houses in the area. I am still working so my time enjoying the house is limited. I do not want to rent my house because it always seems to show the wear and tear of renting and the cost of ownership without renting is prohibitive. I have looked at many joint ownership alternatives and this is the first one that gave me security, a guaranteed exit plan based on market conditions allowing for potential profit, low cost of ownership because of shared ownership in the single asset LLC and the ability to purchase as much time as I wanted. Since purchasing I have come to know the people involved with Lifestyle Asset Group and they work to make to ensure you are spending your vacation on vacation and not worrying about your house. I can certainly recommend a purchase within the Lifestyle Asset Group structure."

Tom and Sally, Nashville



Rethink Vacation Home Ownership

155 East Boardwalk Drive, Suite 473

Fort Collins, Colorado 80525

1-800-318-6966

lifestyleassetgroup.com