

Financial Value Proposition

A FINANCIALLY SOUND WAY TO VACATION

Members of The Stone Creek Resorts Club enjoy year-round access to luxury residences for less than the cost of owning and maintaining a comparable second home.

Cost of Membership Vs Cost of 2nd Home Ownership (based on 45-day plan)

COST-PER-DAY COMPARISON	RESORTS CLUB	OWNERSHIP (50% FINANCED)	OWNERSHIP (NOT FINANCED)
Purchase Price	\$350,000	\$2,500,000	\$2,500,000
Down Payment	\$0	\$1,250,000	\$0
Furnishings	\$0	\$250,000	\$250,000
Cash Due at Closing/Occupancy	\$350,000	\$1,500,000	\$2,750,000
Operating Cost Assumptions			
Debt Service Amount (<i>Mortgage</i>)	\$0	\$1,250,000	\$0
Annual Debt Service Estimate (<i>6% interest over 30 years, principal and interest</i>)	\$0	\$87,000	\$0
Annual Membership Dues	\$27,000	\$0	\$0
Utilities/Taxes/Other Operating Costs (<i>Snow removal/landscaping/HOA/etc.</i>)	\$0	\$37,500	\$37,500
Furniture Reserves/Replacement (<i>10%/year</i>)	\$0	\$25,000	\$25,000
Capital Reserves (<i>Property Maintenance = 0.5% of home capital cost</i>)	\$0	\$12,500	\$12,500
Total Annual Operating Costs	\$27,000	\$162,000	\$75,000
Annual days Usage (<i>Average</i>)	45	45	45
Cost of Ownership per Day of Usage	\$600	\$3,600	\$1,667
COST OF OWNERSHIP UPON SALE AFTER 10-YEAR PERIOD	RESORTS CLUB	OWNERSHIP (50% FINANCED)	OWNERSHIP (NOT FINANCED)
Initial Purchase Price (Excluding furnishings)	\$350,000	\$2,500,000	\$2,500,000
Membership Transfer Fee upon termination (<i>20% transfer fee non-refundable</i>)	\$70,000	\$0	\$0
Appreciation on Real Estate (<i>Pre-tax estimated at 5% per year</i>)	\$0	\$1,572,237	\$1,572,237
Estimated Sales Price with appreciation	\$0	\$4,322,237	\$4,322,237
Loan Payoff estimate (<i>after 10 years</i>)	\$0	\$1,040,000	\$0
Real Estate Brokerage Fees (<i>estimated at 5%</i>)	\$0	\$216,112	\$216,112
Proceeds From Sale at End of Term (80% of membership deposit refundable)	\$280,000	\$3,066,125	\$4,106,125
Less Original Investment	-\$350,000	-\$1,500,000	-\$2,750,000
Adjusted Gain/Loss after Sale or Termination of Membership	-\$70,000	\$1,566,125	\$1,356,125
Annual Dues over 10 Years	\$270,000	\$0	\$0
Annual Operating Costs (<i>Includes Taxes, Debt Service, Capital Reserves etc. over 10 years</i>)	\$0	\$1,620,000	\$750,000
Opportunity Cost of Investing Difference (<i>investment amount above Resorts Club Membership over 10 years at 8%</i>)	\$0	\$1,332,764	\$2,781,420
Total Cost of Ownership	\$340,000	\$1,386,639	\$2,175,295
Cost per Night after 10 Years	\$755	\$3,081	\$4,834

Assumptions: Model assumes no increase in annual dues or operating costs each year. Model does not take into consideration tax treatment. Appreciation assumed on real estate value only (not furnishings). Sale of home price includes appreciated home value plus original value of furnishings. The developer reserves the right to make modifications and changes without notice.

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