

INSPIRATO MEMBERSHIP FEE BREAKDOWN

If you are looking for the best possible way to vacation with family and friends in luxurious, multimillion-dollar vacation homes, Inspirato may be right for you. If you are looking to find the least expensive vacation rentals on the Internet and do not place high value on the quality of the interior of the home or service level that you receive in residence, then Inspirato is likely not for you. Our more than 2,000 members understand that private club certainty and service requires an initiation and annual fee, and recognize that our rates, while usually well below market comps; include full daily housekeeping; a dedicated, on-site concierge; and upgraded amenities. We invest more than \$50,000 per home, and our high level of service costs the club, on average, approximately \$300 per night. Inspirato membership fees are broken down as follows:

INITIATION FEE

Inspirato is not an Internet rental company; we invest in our homes and services to deliver a members-only, five-star experience on each club vacation. Between our launch in January 2011 and the end of June 2012, the club invested approximately \$5.5 million in more than 100 Signature Residences, for an average investment of more than \$50,000 per residence. A substantial portion of each new member's Initiation Fee not only funds these upfront improvements, but it supports our highly experienced property acquisition team that locates, negotiates, and outfits each club residence to our exacting standards. It is each member's Initiation Fee that is allocated over the expected member life, and allows a target home to become an Inspirato Signature Residence.

ANNUAL MEMBERSHIP FEE

Inspirato members pay an Annual Membership Fee of \$2,600, and in exchange receive the following benefits:

- I. Continued access to the Inspirato portfolio of members-only vacation options, including Jaunt vacations for as low as \$295 per night.
- II. A dedicated Personal Vacation Advisor who is assigned to each member as soon as they join Inspirato and assists them in all facets of planning their vacations.
- III. Unlimited access to Inspirato's hotel, resort, and adventure travel options.
- IV. Anywhere, anytime availability through the Inspirato Certified Residence program. This program provides vetted and verified homes for our members during high-demand vacation times.
- V. Entrance to exclusive member benefits and events. Recent events have included exclusive movie premieres and private members-only golf tournaments at premier courses.

NIGHTLY RESERVATION FEES

Inspirato recognizes the need to be highly competitive on nightly rates. By engaging in long-term, exclusive leases with homeowners and developers, the club's unique business model avoids costly and inefficient broker fees, and in turn passes these savings directly on to our members. Often times the Inspirato nightly rate for a vacation can be upwards of 50 percent less than a comparable rental, even though Internet rentals never come with Inspirato standard services such as full daily housekeeping, an on-site concierge, or luxurious linens and amenities.

Inspirato Member nightly rates cover all direct costs associated with operating the homes (once they are controlled and equipped) including:

- I. Direct operating costs consisting of rent, utilities, maintenance, and similar items
- II. Service costs consisting of daily housekeeping, dedicated onsite concierge services, and upgraded luxury consumables

Inspirato's direct operating costs are considerably less expensive than rental brokers or landlords who list their homes on rental-by-owner sites. The reason is marketing costs. For luxury homes, approximately 50 percent of every dollar in nightly fees goes towards marketing the home; however, due to the members-only nature of our club, Inspirato does not incur this type of unnecessary nightly marketing expense.

Inspirato does, however, have real expenses that solidify our club experience, including:

- I. Full daily housekeeping (cleaning the kitchen, vacuuming the floors, cleaning the bathroom).
- II. A full-time, dedicated, 24/7 on-the-ground concierge who is devoted to making sure each and every Inspirato vacation is perfect.
- III. Luxury, five-star, laundered linens, bed and bath amenities, and members-only surprise-and-delight touches.

It is important to note that the services listed above cost on average \$300 per occupied night, and when comparing Inspirato rates to other options, it is critical to factor in this benefit (and expense) to your calculation.

CONCLUSION

Inspirato is a private, members-only luxury destination club that is perfect for some families, and simply not right for others. Our Initiation Fee allows the club to invest, on average, more than \$50,000 in each residence for home improvements and the latest technologies. Our annual fee allows club members to receive ongoing private club service and members-only benefits, and our nightly rates include full daily housekeeping, a dedicated on-site concierge, and five-star services and amenities.