

## **The Reserve Collection - FAQ**

### **What is a Private Residence Club (PRC)?**

PRC is a concept that was born at the prestigious Deer Valley Resort in Park City, Utah in 1991 (DCP). In the late 1980's, Deer Valley vacation homes ranged in price from \$500,000 - \$6,000,000, but owners would only occupy these residences four to six weeks a year. In addition, the more expensive the home, the less likely that it would be made available as a rental property. DCP believed the time had come for a new, upscale, shared ownership concept, and so emerged a new model.

### **What are typical PRC features today?**

Typical PRC are sold in 1/8 units (1/4 – 1/10 range), offering the member 4-6 weeks of occupancy annually. They are generally command 1.6 – 2.0 times the price premium over whole ownership. PRC allows equity ownership second home purchase, and exchange rights to other properties in DCP/Bellstar portfolios. Cost of membership ranges from \$200,000 - \$1,000,000 plus annual HOA fees of \$5,000 - \$15,000.

### **Who purchases PRC's and why?**

People who frequent a particular resort/destination; can afford a vacation home in that location; want luxury, service, & amenities; don't want the responsibilities of absentee ownership; can't rationalize the cost of whole ownership; and don't want to be anchored to one destination.

They purchase based on level of luxury and location, vacation frequency, quality of club staff, level of personalized service, the opportunity to have deeded real estate and the freedom to exchange to other destinations.

### **What does a vineyard owner need to contribute to participate in The Reserve Collection? What are the expectations of the vineyard owner? Please outline specific guidelines for participation.**

The Vineyard/Winery Property Owner contributes a residence site located in a vineyard or winery; provides a list of "wine" purchasers and other contacts; assists in marketing presentations, tastings & tours; commits to a fully integrated ownership and vacation experience for the PRC member ("Vintner's" club benefits, participate in the growing, picking, and winemaking process, private label product, private tasting dinners, etc.)

Bellstar/Olympus Resorts/DCP develops a luxury residence on the vineyard or winery site; and funds, markets, develops and manages a fractionalized single residence PRC. The residence will be complementary to the winery architecturally and in quality in finish & fitting. The final plan's/spec's will be reviewed with the landowner

### **What are the benefits of PRC to the land/vineyard owner?**

PRC provides liquidity/cash to property owners and offer the opportunity to participate in PRC development & sales profits. Property owners maintain control of vineyard property & wine operations. There are significant cross-marketing opportunities between the winery & PRC members through the "Vintner's Club". PRC will help to strengthen the winery brand and increase wine sales. PRC drives business in off-peak seasons.

### **Outline the benefits of the Bellstar/Olympus Resorts/DCP partnership.**

- Established beneficial partnerships & strategic alliances.
- Excellent purchasing & project management.
- Industry leaders in marketing & media relations. Utilize "wine" purchasers lists from respective vineyards/wineries to target oenophiles interested in purchasing real estate. Cross marketing of similarly managed resorts.
- Consistency in systems, training & controls
- Improved bottom line margin, profitability & return on equity
- Expand Vintner's Exchange: Temecula, Santa Barbara, Napa/Sonoma, Oregon, Washington, Australia, New Zealand, Argentina, Provence, Tuscany, South Africa, & Spain

### **What is The Reserve Collection?**

A collection of luxurious homes on and/or around vineyards and wineries that are sold as fractions to wine connoisseurs – (PRC model).

### **Where did the concept for The Reserve Collection PRC come from?**

Based on our research, we found that vineyard properties are the most desired location mentioned by members of leading private destination clubs (Membership Surveys Q-2, 2008). We considered visitation and visitor profile for Napa Valley as a case study and also explored the success of comparable vineyard resorts in North America (Spirit Ridge Vineyard Resorts & Spa (Bellstar), Okanagan Valley, B.C.; Calistoga Ranch (Auberge Du Soleil), Napa Valley, CA; Inn at Carneros (Plump Jack Group), Napa Valley, CA).

Napa Valley is visited by as many as five million people each year (three million stay overnight), making it the second most popular tourist destination in California, second only to Disney Land (Source – Cushman & Wakefield). Napa Travelers – 50% of visitors reported incomes in excess of \$100,000 & spent an average of \$233/person/day

We further saw a valuable economic opportunity to work directly with Vineyard/Winery Property Owners and many are asset-rich & cash-poor. In addition, “Second” home buyers have limited options to participate in the winery experience. Potential vineyard second/vacation home owners face a number of issues: high real estate prices, limited time to use/seasonal use, maintenance.

Olympus Resorts, in conjunction with its partners created a solution – PRC’s – which enable land owners to turn an illiquid asset into cash without giving up control of their vineyard/winery

### **Why is the first phase of the project centered in the Okanagan Valley?**

The Okanagan is centrally located between the three major markets of Vancouver, Seattle and Calgary. The Okanagan Valley is known for its spectacular vineyards and over 60 wineries producing premium quality wines that regularly win international wine competitions. Few wine-producing regions in the world can match the combination of mountains, lakes, fresh air and intense sunlight with so many grape varieties.

### **What are the long term geographical plans for expansion?**

Future locations may include development of PRC’s in Gulf Islands, B.C. Canada; Argentina; Australia; New Zealand; Provence; South Africa; Spain; Tuscany; California: Mendocino, Napa Valley, Paso Robles, Sonoma, Santa Barbara, Santa Clara, Santa Cruz, Temecula; Oregon; **and** Washington. Vintner’s Exchange members will have the ability to use/exchange their time at any Reserve Collection residence.

### **What benefits come with ownership in The Reserve Collection (PRC Members)?**

Lower cost of entry, creating the opportunity to own real estate/experience a vineyard/winery without the management hassles, at a fraction of the cost of buying a vineyard second home. Real estate professionally managed. Participation in a “Vintner’s” club/exchange which offers access to other premier vineyard properties

### **What is the “Vintner’s Club” and what are the benefits of participation?**

The Vintner's Club is exclusive to owners of The Reserve Collection and includes:

- Viticulture activities (demonstrating planting, pruning, harvesting, etc.)
- Participation in the wine making and brand building process
- Instruction on wine-related food, wine pairing and culinary arts (popular in Napa)
- "VIP Wine Makers Tasting Experience" tasting events for members only – sample reserve vintages
- Private dinner with vineyard owners and wine master
- Harvest Celebration – the opportunity to "volunteer" at the vineyard/winery during the harvest and crush
- Invitation to a private annual gala wine release
- A barrel of wine (25 cases) from one of the Vintner exchange wineries for the first five years of membership
- Private label wine
- "First Crush Club" to purchase up to two additional cases at regular prices before the wine is released each year to the public

#### **Do any other vineyard PRC's exist in Canada?**

Although there are a selection of PRC's in Canada, none are situated on a vineyard property.

#### **What is the timeline for the project?**

Real Estate sales begin for the first residence in Spring 2009.

#### **Who are your target audiences for purchase? Private Residence Clubs (PRC's) – Who buys Residence Clubs? Why?**

People who: Frequent a particular resort/destination; Can afford a vacation home in that location; Want luxury, service, & amenities; Don't want the responsibilities of absentee ownership; Can't rationalize the cost of whole ownership; Don't want to be anchored to one destination

Why: Luxury/location; Vacation frequency; Club staff; Personalized service; Deeded real estate; Exchange

### **What is the price range for The Reserve Collection?**

Pricing structure will be site specific dependant on comparable whole ownership pricing and current market conditions

### **Can you provide further background on Bellstar Hotels & Resorts?**

Bellstar is the leading resort developer and operator in Western Canada. As of April 2008, the company includes 9 resorts & 409 resort units (63% increase over 2007). By September 2011, the collection will expand to 18 resorts and a projected 1,500 units (committed & under development). Bellstar manages resorts, hotels & residences clubs; develops and manages condo/strata resorts; provides rental and property management, pre-opening and marketing services, and owner accounting and reporting; and manages whole and fractional real estate marketing. [www.bellstar.ca](http://www.bellstar.ca)

### **Can you provide further background on Olympus Resorts?**

Olympus Resorts is the first in the fractional real estate market to exploit niche markets outside of beach or ski resorts. Olympus has successfully raised over \$700 million in real estate projects. The organization has deployment experience worldwide including North America - Napa Valley, CA (vineyard/winery) and Okanagan, BC (vineyard/winery), Europe - Provence, France (vineyard/winery), Tuscany, Italy (vineyard/winery) and Birr, Ireland (equestrian estate).

### **Can you provide further background on DCP?**

DCP is the world's largest private residence club sales and marketing/management organization. The organization encompasses 30 private residence clubs in the U.S. and Europe, with over 7,000 members. DCP residence clubs have generated more than \$700 million in sales to date (\$115 million in 2006). Their capabilities include product design, legal documentation oversight, marketing and sales, financial planning and international exchange via Elite Alliance™.