

Dream Fractional Programs

The Dream Fractional program is designed to allow ease of ownership with the maximum flexibility and usage.

Dream Fractional Concept

- Four people or entities will own each Yacht and there will be four equal shares.
- Each yacht will be purchased from Dream Yacht via an LLC which will be established with the four members as the owners
- An accounting firm will administer the LLC books and financials paid for by the members
- Dream Yacht will determine the Layout and Specification which will be in line with the Dream Guaranteed requirements – maximum occupancy and specific equipment that is required for charter operations.
- The Yacht will be operated on the Dream Guarantee management agreement with the following conditions
 - o The LLC will be given 4 weeks of high use 8 weeks of low use and 4 weeks of walk on – this will translate into each member being allocated one high week (convertible to two low weeks), two low weeks and one walk on week per calendar year.
 - o The LLC will be paid an annual Guarantee of 5% and this will be paid once a year, which will be at the end of each 12-month cycle.
 - o The boats will be sold at full price (no discounts) and delivered to the respective base
 - o Term will be 60 months from the start of the first charter
 - o Phase out will be 60 months from the end of the first charter
 - o Dream Yacht will retain the exclusive right to broker the vessel at EOP
 - o In addition to the cost of the boat there will be a 3% administration/joining fee to cover the sale and organization of the vessel.

- Dream Yacht will determine which brands, size and base location there is a demand for these yachts and the fractional program will be based on this

Dream Fractional Financial example based on a Lagoon 45 - 4 cabins:

Cost of yacht fully equipped and delivered to the base (2018 pricing).

€566,208.00 converted @ \$1.17 \$662,463.00

Administration fee 3% \$ 19,873.00

Total cost of vessel with LLC included \$682,336.00

Each membership cost = \$170,584.00

We are offering the Bali 4.5 into Dream Fractional ownership in the Caribbean.

You would be able to use this yacht or any similar yacht at any of our worldwide locations! Reciprocal use is what sets us apart from other programs, the opportunity to use owners time at over 45 charter locations throughout the Caribbean, Mediterranean, Tahiti, Thailand and more! Attached is a breakdown of the costs. Here are some highlights.

- Each Owner gets up to 5 weeks of owner use per year
- No additional traditional ownership expenses (dockage, insurance, maintenance).

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- 5% guaranteed income paid annually to the LLC held in the name of the 4 shareholders.
- Each owner retains 25% of the sale price of the yacht after the 60 months contract.

170,184 Euro per quarter program buy-in

-41,306 Euro income paid per quarter over 5 years.

128,878 Euro Total cost per quarter at the end of the contract.

A conservative estimate is that the yacht is worth about 55% of the purchase price at the end of the contract, so your quarter would be worth approximately 93,601 euro ($17,0184 \times .55$)

128,878 total cost per quarter at the end of the program

- 93,604 estimated value at the end of the program

35,277 euro cost of the program for 5 years.

So for 35,274 euro, you would have had five years of sailing up to 5 weeks a year!

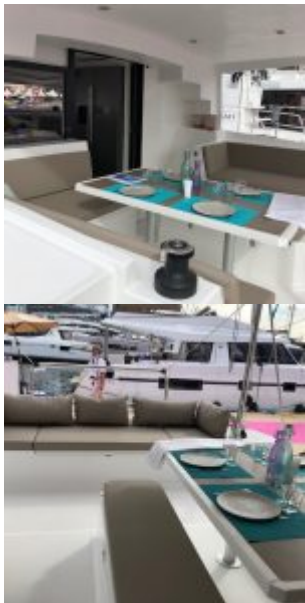
Cost of a week of the charter is from 7,500-10,975 euro per week, so let's use the low average of 7500 euro per week.

5 weeks of sailing at \$7,500 per week is 37,500 per year,
5 years of sailing would be worth 187,500!

So regarding owners time.

You can book 1 high week or that 1 high week can instead be converted to 2 low weeks;

See the Bali 4.5





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