

**INSPIRATO®**

**VIRGINIA PUBLIC OFFERING STATEMENT**

Inspirato is a composition of luxury entitlements registered with the Office of Consumer Affairs of the Virginia Department of Agriculture and Consumer Services pursuant to the provisions of *Title 59.1, Chapter 36, Code of Virginia* (the “Act”). The Act requires that a current public offering statement be furnished to each prospective Inspirato member (“Member”) within the Commonwealth of Virginia prior to execution of your membership documents. The purpose of this Virginia Public Offering Statement is to disclose certain material circumstances affecting Inspirato and the opportunities, services, benefits and privileges (collectively, the “Opportunities”) available to Inspirato Members. The effective date of this Virginia Public Offering Statement is June 1, 2018.

**1. Inspirato and its Operator.**

**A. Name and Address.** The name and principal address of the program is Inspirato, 1631 Wazee Street, Denver, Colorado 80202.

**B. Operator.** Inspirato is owned, operated and administered by Best of 52, LLC, a Delaware limited liability company (“Operator”), which has its principal offices located at 1631 Wazee Street, Denver, Colorado 80202.

**C. Principal Information.** The following are the names, principal occupations and addresses of the principals of Operator:

<u>Name</u>	<u>Principal Occupation</u>	<u>Address</u>
Brent Handler	Founder and CEO	same as for Operator, above
Brian Corbett	Founder and Chief Experience Officer	same as for Operator, above
Brad Handler	Founder	same as for Operator, above

Operator is a wholly owned subsidiary of Inspirato LLC, 1631 Wazee Street, Denver, Colorado 80202.

**D. Legal Proceedings.** There are no indictments, convictions, judgments, decrees or orders of any court or administrative agency for violations of any federal, state, local or foreign country laws or regulations against Operator with respect to its administration, ownership, or operation of Inspirato or its rendition (fulfillment) of travel services and Opportunities for Members. There are no unsatisfied judgments or pending lawsuits against Operator or any of its principals with respect to its administration, ownership, or operation of Inspirato or Operator’s rendition (fulfillment) of travel services and Opportunities for Members.

**E. Agent for Service of Process.** The name and address of Operator’s agent for service of process in Virginia is Corporation Service Company, . 100 Shokoe Slip, 2<sup>nd</sup> floor, Richmond, VA 23219.

**2. General Description of Travel Services Offered by Operator.**

Inspirato membership includes the right to use and occupy a portfolio of residences (both independently managed by Inspirato and managed by third parties) as well as hotel rooms and suites, and cruises (collectively, the “Residences”) that Operator makes available to Members from time to time at beach, mountain, metropolitan and other vacation destinations. Members may reserve, use and occupy the Residences on a first-come, first-served space available basis by payment of the applicable nightly rates for the nights they use. Operator seeks to ensure year-round availability by maintaining relatively low occupancy rates. Nightly rates for use of Residences are priced to properly balance value and availability, so rates will generally be greater during peak times and for more sought after destinations and less during low and shoulder seasons and for destinations that are in less demand. If a Residence is full during a time that a Member wishes to travel, Operator will seek to assist in finding alternate accommodations as an included service of membership at no additional charge to the Member (although negotiated market rates will apply for use of such accommodations).

A key benefit of an Inspirato membership is its team of personal vacation advisors (“PVA”). Every Member family is assigned a PVA. The PVAs develop personal relationships with their Member families to learn their preferences and enhance their vacation experiences. PVAs are available to answer any questions about Inspirato vacations (pre, during or post stay), make suggestions for future travel, and serve as the Member's advocate and service representative.

A “Destination Concierge” is based in most Inspirato destinations to provide Members with dedicated services throughout their stay. They are available seven days a week for assistance with booking activities, dining reservations, private chefs or any other requests. They also assist with pre-arrival planning and grocery shopping.

Each Residence is managed and maintained either by Operator’s experienced operations and Destination Concierge teams or those of a hotel or resort brand or management company. All Residences receive housekeeping service.

Members may reserve Residences via each Member's personalized, secure Member webpage on the Inspirato website or via telephone at (303) 586-7771. The Inspirato website displays availability for each Residence and reservations may be booked by selecting the Residence and paying online with a credit card. Generally, reservations may be made up to one (1) year in advance, with the exception of Inspirato Key Members, as described in Section 3(C)(i) below. All reservations are on a first come-first served space available basis.

If a reservation is cancelled, a predetermined amount of travel credit is provided as a refund based on how far in advance the cancellation is made. Because the Inspirato pricing model was built to maximize availability and member satisfaction, the times of year that are in most demand command the highest nightly rates, and the times of year that are in least demand command the lowest nightly rate.

### **3. General Description Inspirato and its More Significant Features.**

**A. General Description of Inspirato.** Inspirato is a private members-only luxury destination club. Inspirato is neither a rental agent nor a villa broker; it is a luxury destination club that controls, manages and services its Residences primarily through leasehold interests in such Residences.

Inspirato is a primarily internet-based program. While reservations and support are available via telephone at (303) 586-7771, many of the benefits of Inspirato membership, such as the online reservation system, require internet access. In addition, Inspirato membership may only be purchased through the Inspirato website.

**B. Duration of Membership and Members' Voluntary Renewal.** Each Executive membership has a term of one (1) year, and each Family and Key membership has a term of either one (1) month or one (1) year, at the member's election. Members have the option to renew membership at the end of their membership term for additional one-year terms or one-month terms, as applicable (up to a current maximum of 29 years) by paying the then-applicable annual or monthly membership fee. There is no requirement to purchase any additional terms.

#### **C. Membership Types; Initiation Fee and Other Fees, Costs and Charges; Cancellation of Membership.**

**i. Membership Types.** There are currently three (3) types of Inspirato membership. Inspirato Executive is an unrestricted membership that includes premium travel sharing features and early access to new vacation Residences and last minute deal programs. Inspirato Family is also an unrestricted membership, but only includes basic travel sharing features, as well as and early access to new vacation Residences and last minute deal programs. Inspirato Key is a full access membership without travel sharing features, but also has a closer booking window restrictions for most Residences. Use of Residences known as "Inspirato Residences" and "Hotel & Resort Residences" by Inspirato Executive Members and Inspirato Family Members are available one (1) year in advance. Use of Residences known as "Inspirato Residences" and "Hotel & Resort Residences" by Inspirato Key Members are available one hundred twenty (120) days in advance.

**ii. Initial Fee.** At the time of membership purchase, all Members must pay a one-time initiation fee, which includes the first year annual membership fee. For Inspirato Executive, the one-time initiation fee is currently \$38,500 which includes the initial annual membership fee that is currently \$3,500. For Inspirato Family, the one-time initiation fee is currently \$23,500 which includes the initial annual membership fee that is currently \$3,500. For Inspirato Key, the one-time initiation fee is currently \$13,500 which includes the first year of initial monthly membership fees that are currently \$275.

**iii. Annual or Monthly Fee.** Members may renew membership after the end of the membership term by payment of the then-current annual or monthly membership fee, as applicable.

**iv. Other Fees, Costs and Charges.** In addition to the initiation fee and any applicable annual or monthly membership fees, Members are also responsible to pay the "nightly rate" for each night of Residence occupancy as well as other charges for certain opportunities, services and privileges that Operator may make available to Members in connection with their vacations, together with all applicable taxes and fees, at the time of reservation. Currently, the average nightly rate for a week-long vacation at an Inspirato Residence, excluding holiday periods, is approximately \$1,200 per night. The average nightly rate for a week-long vacation at an Inspirato Residence during a holiday period is approximately \$2,400 per night. The average nightly rate for a week-long vacation at an Inspirato hotel room, excluding holiday periods, is approximately \$550 per night. The average nightly rate for a week-long vacation at an Inspirato hotel room during a holiday period is approximately \$710 per night. All nightly rates, fees, costs and charges vary from time to time and are subject to change in the sole discretion of Operator.

**v. Cancellation of Membership.** Subject to paragraph 8 below, Members may terminate Membership at any time upon thirty (30) days written notice to Operator.

**vi. Cancellation of Reservations.** Our reservation cancellation policy eliminates the "hoarding" of reservations without penalties that are commonplace at other destination clubs. If a reservation is cancelled, the member will receive credit for future travel in an amount of that is based on how far in advance the cancellation is made. A Member can receive up to 100% of the total of

all nightly rates, fees, taxes, costs and charges paid by the Member in connection with the cancelled reservation, as long as the cancellation is made 90 days or more prior to arrival.

4. **Provisions Made to Fulfill Members' Demand for Lodging Accommodations.** Inspirato fulfills Members' demand for lodging accommodations through the long-term leasing of its Residences. This model allows the club to maintain quality assurance over the homes' interiors, maintenance and service. In addition, Inspirato's team of analysts works to balance supply and demand through sophisticated and proven methods of market segmentation. This structure gives availability to Members who can only travel during high season and weekends. It also caters to Members who are more concerned about cost than specific times of the year or days of the week. Inspirato uses nightly rates, as opposed to complex or restrictive rules, to seek to ensure relatively low occupancy rates. In addition, the Inspirato Key Membership was created to further balance supply and demand.

5. **Operator's Net Worth.** Operator's net worth currently exceeds \$500,000.00.

6. **Initial or Special Fees due from Members.** Other than as set forth herein, there are no other initial or special fees due from Members.

7. **Financing.** No traditional financing is currently available from Operator with respect to Members' purchases of Inspirato membership from Operator, Members' payment of initiation fees or annual/monthly fees or any other obligation Members may have with respect to Inspirato membership. That said, in certain instances Inspirato may allow Members to split up the payment of certain membership initiation fees in equal, no-interest, installments over the first year of their membership.

8. **Cancellation.** Any membership purchase may be canceled by any Member who is a "Purchaser" (as such term is defined in the Act) until midnight of the seventh (7th) calendar day after electronic signature and acceptance of the same by the Member, and in such case the initiation fee and initial annual or monthly membership fee are refundable as provided in the Act. After the seventh (7th) calendar day, such "Purchaser" Member is not afforded the right to receive a refund of the initiation fee or the initial annual or monthly membership fee. Such Members should refer to their Terms & Conditions for specific information regarding such cancellation right.

9. **Restraints on Alienation.** Inspirato memberships and the benefits incidental thereto are personal to Members. Currently, Members may only transfer or assign their Inspirato membership upon the express written consent of Operator. However, upon the death of a Member, such Member's Inspirato membership shall automatically continue in such Member's surviving spouse or life partner. If such Member has no spouse or life partner, such Member's Inspirato membership may be transferred to a natural person in accordance with the applicable laws of succession, provided that any successor must agree in writing to accept such membership and pay the then-applicable succession fee (currently \$500).

10. **Insurance.** Operator does not currently provide any insurance coverage for the benefit of Members.

11. **Additional Services provided or Expenses Paid by Operator.** Except as set forth herein, there are no services which Operator provides or expense it pays which it expects may become an expense of the Member and which is to be paid thereby.

12. **Escrowing of Deposits from Members.** All deposits made by Members who are a "Purchasers" (as such term is defined in the Act) in connection with a membership purchase shall be held in escrow by Operator until: (i) delivered to Operator upon expiration of the seven (7)-day cancellation period, provided that such Member has not canceled; (ii) delivered to Operator upon a default by such Member its membership Terms & Conditions; or (iii) refunded to such Member upon cancellation within the seven (7)-day cancellation period. Such deposits shall be held in a separate bank account labeled and designated solely for escrow purposes at Wells Fargo Bank, N.A. Operator has posted a fidelity bond in the amount of \$30,000.00 with the Commissioner of the Virginia Department of Agriculture and Consumer Services in favor of all Virginia "Purchaser" Members in order to protect such Members' escrowed deposits.

13. **Additional Information Required by Commissioner of the Department of Agriculture and Consumer Services.** N/A.

14. **Statement of Percentage of Fulfillment of Accommodations.** Attached as an exhibit hereto is a statement prepared by an independent certified public accounting firm of the number of Members who properly applied for accommodations from Operator by submitting a reservation request during the calendar year preceding the date of this Virginia Public Offering Statement in contrast to the total number of Members who actually received such accommodations (in the form of a confirmed reservation therefor) during the same calendar year.

15. **Exchange Program.** N/A. Members are not currently offered the opportunity to subscribe to or participate in any exchange program registered under VA ST § 55-360 et seq.

