

INTRODUCTION

Hamptons Yacht Club (“HYC” or “the Company”) is a diversified luxury lifestyle brand leveraging the combined global recognition of the ‘Hamptons’ and the ‘yachting lifestyle’ across an array of opportunities including an exclusive private, year-round yacht club based in the Hamptons, a luxury lifestyle licensing brand, direct merchandising, strategic partnerships, and global franchising opportunities.

COMPANY OVERVIEW

As a global luxury lifestyle brand, Hamptons Yacht Club is first launching a private, exclusive year-round yacht club as the centerpiece of a global branding strategy. In addition to Club operations, HYC will pursue licensing and franchising opportunities to maximize the economic potential of the HYC brand.



HYC’s global branding strategy includes, among other things, the following:

- Private year round exclusive membership club (www.HamptonsYC.com) located in the Hamptons, New York City, and Palm Beach.
- Luxury lifestyle brand licensing apparel, jewelry, home goods, etc.
- Direct merchandising using an internet-based model to sell HYC logo products globally.
- Strategic partnership opportunities with similar luxury private clubs such as vacation rental, resort, marinas, jet charter and classic car.
- Global franchise opportunities for HYC private clubs in selected luxury markets around the world.

HAMPTONS YACHT CLUB

Hamptons Yacht Club is a private yacht club providing its members exclusive access to a fleet of yachts allowing its members to enjoy the year-round yachting lifestyle. HYC operates in the Hamptons during the Summer, New York City during the Fall and Spring, and the Palm Beach area during the Winter. HYC members include both those who own and do not own a yacht.

HYC is offering memberships on an invitation-only basis in three levels - Silver, Gold, and Platinum - with each successive level providing increased access to a fleet of yachts. Membership pricing is \$50,000, \$75,000 and \$100,000, respectively, with a limited number of inaugural memberships offered this first year at \$30,000, \$45,000 and \$60,000. The initiation fee is a refundable deposit that will be returned to the member in thirty years or sooner subject to an established Club policy allowing a member to resign a membership for interim resale. There are annual dues and monthly minimums based on the minimum utilization of a membership level's allocated usage credits, which minimum will be applied towards actual yacht charter usage. A limited number of corporate memberships will also be offered with up to three individuals identified from within the corporation with expected membership pricing starting at the standard rate (not inaugural) for the first member, a 15% discount for the second, and a 30% discount for the third membership. Corporate memberships sold this first year would all be at the inaugural pricing. Corporate annual dues and minimums would be at the respective level individual pricing.

For those who do not own a yacht, HYC membership provide exclusive access to HYC’s fleet of yachts for charter. Rather than owning a single yacht and incurring the significant upfront acquisition cost and substantial ongoing annual ownership costs, HYC Members are treated as yacht owners and have exclusive access to a fleet of yachts allowing for the selection of a specific yacht to meet the unique requirements for a particular voyage. HYC fleet excursions all have a US Coast Guard licensed Captain.

For those who own a yacht, HYC membership provides exclusive access to HYC’s fleet of yachts for charter allowing that member to access a different style or size of yacht than they may currently own meeting a different excursion requirement. In addition, HYC membership provides members who may already own a yacht access to HYC professionals who will customize a comprehensive and proactive yacht management program for their particular yacht. And, for those members who may already own a yacht and who are

Hamptons Yacht Club **A Global Luxury Lifestyle Brand**

interested in generating supplemental income from their yacht, they are able to participate in HYC's Charter Management program expanding HYC's fleet of yachts for charter by all HYC members.

HYC FLEET



HYC's fleet of yachts includes both owned and charter management yachts offering Members access to a diverse fleet of yachts ranging from 36' Down Eastern-style, blue-hull picnic boats ideal for relaxing day trips and weekend getaways up to 65' yachts and larger. HYC also provides its members access to smaller boats for water skiing, tubing and near-coastal fishing.

In addition, HYC plans to have the only USCG inspected vessel in the Hamptons capable of accommodating functions of up to 50 or more passengers giving HYC a monopoly in that segment of the charter business.



FINANCIAL OVERVIEW

HYC's revenue model is derived from diverse sources including membership initiation, dues and charter revenues from year-round club operations, licensing royalties from global branding in multiple lifestyle categories, strategic partnership and global franchising opportunities, and ancillary revenues from other avenues to exploit the HYC brand such as direct merchandising.

Projections reflect revenues initially generated by the Club operations derived disproportionately from new member initiation dues that have the impact of skewing initial operating margins; however, as the membership level stabilizes over the next few years, the recurring Club operating income gains relative significance followed by operating efficient add-ons such as strategic partnerships, licensing and franchising opportunities that will phase in over the first few years and which do not require significant operating cost structure increases. Direct global merchandising utilizing an Internet-based business model will allow HYC to retail its own globally-recognized, logo merchandise likely through a third party fulfillment model to avoid the necessity of having to increase direct overhead.

The HYC business model is highly variable not only with the licensing and franchising model but also with the Club operations given that, after the acquisition of the first few yachts to seed the fleet, the majority of the fleet will be structured on a direct variable basis utilizing third party charter management yachts.

The Company's balance sheet is low-levered with conservative levels of existing and expected debt across its growing fleet of already owned yachts and trademarked HYC brand.

OPPORTUNITY SUMMARY

- Early round investment opportunity enabling investors to participate in subsequent investment rounds as the Company grows.
- HYC luxury brand already protected by U.S. trademark and Internet domain name registration.
- Initial club operations from a growing fleet of already-owned yachts will generate significant near-term cash flow from membership initiation dues and charter revenue to support expanded growth.
- Substantial potential upside from the development and licensing of the HYC luxury brand to various industries globally.

OFFERING/REQUEST ADDITIONAL INFORMATION

For further information about the Company and this exciting opportunity, please contact Blair A. West at HYC at (631) 702-2910 (x210) or by email at bwest@HamptonsYC.com.