

SHARED OWNERSHIP

Fractional ownership offered at \$195,000 per 1/8 share.

Although we enjoy owning and operating the Bauhaus tremendously, our business and life commitments have changed and we are not able to spend as much time there as we would like. As an alternative to selling the house in its entirety, we are exploring the possibility of developing the Beach House as a shared ownership vacation property.

To accomplish this, we are looking for up to eight individual partners to share in this adventure. As you may be aware, shared ownership is an exciting new development in vacation properties and is expanding rapidly. Although many people dream of owning a vacation home, most either cannot afford the type of property they want, or reason that they would not use it often enough to justify the expense. Since work and school commitments might prevent some people from vacationing for more than a few weeks each year, family members, friends and associates often join together to buy and share in vacation home ownership.

Shared ownership provides a viable alternative by allowing you to pay only a fraction of the costs and ongoing expenses of vacation home ownership. Owners get to enjoy a beautiful, fully furnished, professionally maintained, high-quality waterfront house, in a fantastic location, with great services and amenities and a carefree vacation lifestyle for a fraction of what they would have to pay to buy the house on their own.

Shared ownership offers significant advantages over timeshares since you actually hold an equity position in the property and have far more flexibility in scheduling your visits, from week-end getaways to extended stays. Timeshares are merely contracts specifying a right to use a property at certain times. Fractional ownership is an actual, deeded interest: You can sell it, leave it in your will, put it in a trust, practically anything you could do with any normal deeded property. Properly structured and executed, a shared-ownership interest in the Beach House should appreciate in value as well as provide tax benefits.

The details of shared ownership and the formulas to determine availability will be refined by the participants, as the concept is collaboratively developed. We invite your thoughts and comments regarding this concept and would be happy to discuss it with you in greater detail.

We also ask that you share this opportunity with others whom you feel may be interested in participating in the pleasures of owning this wonderful Beach House on Bainbridge Island.