

## Intention and target of the project

The target of this project is to invest money in holiday property and produce the income through the sophisticated system of renting – so the project is in fact the cooperation of investors who have the same interest – the yield. *(In this case, to have the flat for living is not the aim.)*

To get the income, all the flats are running as the leisure accommodation apartments.

- Realized yield during in the initial phase at renting rate 40% per year was 5,9% of the purchase price
- Supposed yield at renting rate 70% is 8,7% of the purchase price

Possible yield is hidden also in the value of the property itself which increases in time and also thanks to the progress of the location itself.

- Realized yield from buy and sale process within not even 2 years was 25%.

The legal form of the whole complex is chosen to support the aims above.

All five buildings are owned by the one corporation, by the Cooperative called „Lipno Lake Resort, družstvo.“ The buildings are divided into separate properties, commercial units (flats). Every member of the Cooperative has the right to use one unit according to the Constitution of the Cooperative.

The developer itself, Sparcs, is also a member of the Cooperative and has the right to use the flats which are now „for sale.“

The right to use the apartment is protected by the lease contract. But this lease contract becomes effective after five years, because during the first five years the tenant is the daughter company Lipno Lake s.r.o., that takes care of the house and flat management, incoming of the vacationers and actively offers the accommodation through the contractual travelling agencies..Every member of the Cooperative is also the owner of the share in the daughter company Lipno Lake s.r.o .This company collects all the payments for the accommodation and after the calculating the expenses, distributes the appropriate incomes to the members themselves twice a year.

The membership is possible to assign any time – i.e. it is possible to sell apartment anytime.

By the five years it will be possible to buy a flat from the Cooperative and to become the direct owner of the flat (personal ownership) and use the apartment only privately or go on renting the apartment.

