



# Bermuda Franchise L.P. Fund I

A combination of **income** and **growth** through a proven franchise business and real estate model

The Bermuda Franchise L.P. Fund I is a private Closed-End Reg A 506(c) fund.

## STRATEGY OVERVIEW

The Bermuda Franchise L.P. Fund I seeks to deliver consistent income, capital growth, and compelling after-tax returns for accredited investors by scaling a proven, replicable membership club model that seamlessly integrates coworking, golf simulation, wellness amenities, and professional networking into a vibrant community hub. Drawing from the success of flagship Southern California locations, each new Bermuda Club is built on a data-driven blueprint designed to achieve high-margin cash-flow positivity within the first year of operation, supported by recurring membership revenues, diverse ancillary income streams (e.g., events, café, and rentals), and long-term real estate appreciation. The Fund's proprietary member app serves as a digital backbone, managing facility access, amenity bookings, payments, and community interactions to enable extremely lean staffing—typically 2-4 employees per location—while minimizing overhead and driving exceptional retention rates through personalized engagement and network effects. By leveraging a centralized management structure, the Fund standardizes buildouts, procurement, and operations across properties, reducing costs, mitigating execution risks, and ensuring brand consistency for efficient capital deployment. The Fund emphasizes disciplined site selection in high-demand U.S. and Canadian markets, targeting demographics of mid-career professionals seeking a "third place" for work-life integration. Investors benefit from meaningful tax advantages in Years 1-4, including accelerated depreciation on buildouts and fixtures, construction-phase deductions, and early operating write-offs that generate significant tax losses to offset other income and enhance after-tax IRR. As clubs stabilize by Year 3-8, the portfolio transitions into a durable income asset with compounding net operating income, bolstered by preferred returns and semi-annual distributions once cash-flow positive. With a phased strategy—focusing on franchise expansion in Phase 1 (2026-2030) followed by real estate acquisitions in Phase 2 (2031-2033+)—the Fund positions itself for a premium exit through strategic acquisition or portfolio sale around Year 6, creating an attractive opportunity for high-net-worth individuals and family offices seeking de-risked growth in a scalable, experiential real estate-backed platform.

## WHY AN Closed-ENDED FRANCHISE FUND STRATEGY

This franchising fund provides the capital to scale rapidly multiple Bermuda Club locations while maintaining a lean corporate overhead and low operational risk. This franchise fund will own and operate several wholly owned franchise locations under a franchise agreement where all profits flow into the fund and the distributed to unit holders. This structure creates an efficient and scalable aligned ecosystem that balances a stable income for investors with the brand's long-term equity growth potential.

## TAX, INCOME AND GROWTH OBJECTIVES

### Tax Benefits

The Fund is structured as a pass-through entity (K-1 reporting), delivering meaningful tax advantages in Years 1-4 through accelerated depreciation, construction-phase deductions, and early-stage operating write-offs. This materially reduces taxable income, boosting after-tax IRR before locations stabilize as cash-flow-positive assets. Expect substantial deductions from buildouts, tenant improvements, and startup costs, creating tax losses that offset other income.

### Consistent Income

Semi-annual distributions begin once each location achieves operational stability and maintains a specified cash reserve, providing investors with predictable yield potential backed by recurring membership revenues.

### Capital Appreciation

Investors participate in the long-term equity value of each franchise location, benefiting from brand expansion and real estate appreciation as additional locations come online. Post three-year cliff, units can be sold on the secondary markets with GP approval. Fund will also seek to acquire commercial real-estate to house the franchise locations as the fund matures.

## TARGET OUTCOME FRAMEWORK

Metric	Objective
Structure	Private Closed-End Fund, Reg D 506(c); Wyoming Limited Partnership
Target IRR	~16% – 20% net
Target MOIC	~4.3x – 6.5x (post-tax benefits & carry waterfall)
Total Unit Authorization / Price	89 Units total, priced by tranche (Tranche 2-6 at \$90K-\$150K); 2 GP formation units issued at \$0.0001 for securing franchise rights and formation work
Preferred Return	8% annualized, accrued (non-compounding)
Distribution Schedule	Semi-annual (February / October) once cash-flow positive
Liquidity Option	Secondary resale permitted after 3-year lock-up, which begins only once the Fund reaches \$4M committed
Tax Treatment	Pass-through Wyoming LP issuing K-1s; significant tax losses in Years 1-3 from depreciation, construction deductions, and early operating write-offs
Unitary Management Fee	2.5% per annum on committed capital, payable monthly
Carried Interest	20% to GP after full return of capital and 8% preferred return to LPs
End Goal	Strategic roll-up, recapitalization, or portfolio-level sale in Years 6-8
Administrator	VERIVEND Platform (fund admin, capital calls, KYC/AML, subscriptions, reporting, distributions)

## DISCLAIMER AND IMPORTANT INFORMATION

This document is for informational purposes only and does not constitute an offer to sell or a solicitation to buy any security. An investment in Bermuda Club Franchise Fund I is speculative and intended only for experienced accredited investors willing to bear the economic risks of illiquidity for at least three years. Past performance of the Carlsbad location is not indicative of future results. Projected returns are estimates only and not guaranteed. Please refer to the Private Placement Memorandum for complete information on terms, fees, and risk factors.