

## INDIANA DUNES CLUB

# Short-Term Rental Q&A

*How the Wanderlux® hospitality program works for owners purchasing a Indiana Dunes Club residence for investment or personal use.*

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## WHICH COMPANY MANAGES THE SHORT-TERM RENTAL PROGRAM?

Indiana Dunes Club's short-term rental program is operated in-house by The Wanderlux Collection, the dedicated hospitality arm of our development partners at NWI Development Group. Wanderlux already manages a substantial portfolio of homes across the Beachwalk and greater Michigan City lakefront, and brings that same full-service, hands-off approach to Indiana Dunes Club owners — so you can hand over the keys with confidence and let a proven local team run your home efficiently, hospitably, and profitably.

## WHAT IS THE INDIANA DUNES CLUB MANAGEMENT FEE?

The Wanderlux management fee is 25% of gross rental proceeds. This includes filing any required rental permits and managing inspections on your behalf. Owners receive a detailed monthly statement and an automated payment by the 15th of each month for the prior month's rental proceeds, transferred electronically to the account of your choice.

## WHAT IS INCLUDED WITH THE SHORT-TERM RENTAL MANAGEMENT FEE?

Marketing, advertising, professional photography, cleaning, payment processing, third-party listing placement, routine and on-call maintenance, review solicitation, and tax remittance are all included. Wanderlux operates a staffed reservations team year-round; outside business hours, calls are routed to an answering service that immediately notifies the management team to respond to emergencies.

## WHAT IF WE WANT TO STAY AT OUR RESIDENCE INSTEAD OF RENTING IT OUT?

You will have access to an owner's portal where you can block your own stay dates and view the full booking calendar at any time. There is no limit on owner stays.

## HOW ARE NIGHTLY RATES DETERMINED?

Wanderlux operates a dynamic pricing model designed to achieve maximum daily rates during peak demand periods while increasing occupancy during slower stretches of the calendar.

### IS THERE A MINIMUM NIGHT STAY?

We anticipate a 3–4 night minimum length of stay through peak season and over holidays, with a year-round minimum of 2 nights. Full-week bookings remain common, but the nature of the product and current market conditions favor shorter stays.

### DO WE HAVE TO PAY TAX?

Innkeeper's and sales taxes are collected on your behalf and remitted to the county and state by our office. There is currently no permit fee imposed on short-term rentals by the city or county.

### DO YOU HAVE TO USE WANDERLUXE, OR CAN YOU MARKET YOURSELF ON PLATFORMS LIKE AIRBNB OR VRBO?

If you are purchasing an Indiana Dunes Club residence for investment and intend to use it as a short-term rental, you must use Wanderlux's full-service management program. This ensures STR guests abide by the rules and character of the community, for the peace of mind of full-time residents and neighboring owners alike. Wanderlux does market your property across third-party channels — including Airbnb, VRBO, and Google Vacation Rentals — and maintains its own direct booking platform as well.

### ARE FURNITURE PACKAGES OFFERED FOR SHORT-TERM RENTAL HOMES?

Yes. Owners purchasing for investment can select a furniture package that makes furnishing turnkey. When the time comes, we connect you directly with our preferred designer to make your selections.

### WHAT IS THE COST OF THE FURNITURE PACKAGE?

Approximately \$35,000–\$60,000 for a townhome residence, depending on unit size, configuration, and items selected, with larger estate homes running higher. Furnishing packages include everything down to the last kitchen accessory.

### IS THE OWNER RESPONSIBLE FOR CLEANING THE UNIT BETWEEN RENTALS?

No — Wanderlux provides in-house professional cleaning. Each home receives hotel-caliber cleaning, coordinated and inspected after every guest stay, with periodic electrostatic sanitation.

### ARE LINENS PROVIDED?

A linen program is available for an additional charge. Owners who join the program have all linens laundered and returned between guest stays.

### CAN WE FURNISH THE RESIDENCE OURSELVES?

Yes — we will provide a complete list of items required for a residence to participate in the short-term rental program.

WHAT PERCENTAGE OF INDIANA DUNES CLUB WILL BE SHORT-TERM RENTALS? IS THERE A CAP?

As currently contemplated, there is no proposed cap on short-term rentals and no designated STR-only section of the community.

HOW DO YOU DECIDE WHICH UNIT GETS BOOKED?

Each home is marketed uniquely using its own listing photos, description, views, bedroom count, sleeping capacity, pet policy, amenities, and nightly rate — giving guests the ability to choose the residence that best suits their stay.

ALTERNATIVE OPTION

10-Year NNN Master Lease

For buyers who want a fixed, guaranteed return without any operational involvement in the short-term rental program, Indiana Dunes Club offers an alternative: a 10-year triple-net (NNN) master lease of the residence to The Wanderlux Collection. Under the master lease, Wanderlux becomes the sole tenant of the home for the full ten-year term and takes on all operating responsibility — the owner receives a fixed rent check regardless of nightly occupancy, seasonality, or STR performance.

|                                                                                                                                                                |                                                                                                                                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| <div>6.5%</div> <div>Guaranteed Year 1 Return</div> <div>Fixed annual rent paid to the owner, calculated as 6.5% of the purchase price of the residence.</div> | <div>+3%</div> <div>Annual Escalator</div> <div>Rent steps up 3% each year for the full ten-year term — no reset, no negotiation, no vacancy risk.</div> |
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WHAT TRIPLE-NET MEANS HERE

Under a triple-net lease, the tenant — The Wanderlux Collection — is responsible for property taxes, property insurance, HOA dues, routine maintenance and repairs, utilities, and all short-term-rental operating expenses (marketing, cleaning, guest services, dynamic pricing, and turnover). The owner’s only recurring responsibility is the mortgage, if any. The rent check arrives on the same day each month for the full 120 months of the term.

**ILLUSTRATIVE 10-YEAR RENT SCHEDULE**

Example based on a \$1,000,000 residence at the 6.5% base rate with the 3% annual escalator applied at the start of each lease year.

| Lease Year    | Annual Rent | Monthly Rent | Effective Yield |
|---------------|-------------|--------------|-----------------|
| Year 1        | \$65,000    | \$5,417      | 6.50%           |
| Year 2        | \$66,950    | \$5,579      | 6.69%           |
| Year 3        | \$68,958    | \$5,747      | 6.90%           |
| Year 4        | \$71,027    | \$5,919      | 7.10%           |
| Year 5        | \$73,158    | \$6,097      | 7.32%           |
| Year 6        | \$75,353    | \$6,279      | 7.54%           |
| Year 7        | \$77,613    | \$6,468      | 7.76%           |
| Year 8        | \$79,942    | \$6,662      | 7.99%           |
| Year 9        | \$82,340    | \$6,862      | 8.23%           |
| Year 10       | \$84,810    | \$7,068      | 8.48%           |
| 10-Year Total | \$745,152   |              | 74.5% of price  |

**KEY PROGRAM TERMS**

- **Term.** Ten (10) years, commencing on the residence's certificate of occupancy or the owner's election, whichever is later.
- **Base rent.** 6.5% of the purchase price of the residence, paid monthly in advance.
- **Escalator.** 3.0% fixed increase at each lease-year anniversary, compounded.
- **Tenant.** The Wanderluxe Collection (the hospitality arm of NWI Development Group), as sole tenant of the residence for the full term.
- **Triple-net.** Tenant is responsible for property taxes, insurance, HOA dues, utilities, routine maintenance and repairs, and all STR operating expenses.

- **Owner use.** The residence is leased to Wanderlux for the full term; owner-use nights are not available under the master-lease option. Owners who want a mix of personal use and rental income should choose the standard 25% managed-STR program.
- **Furnishings.** Standard Indiana Dunes Club FF&E package is included in the purchase; Wanderlux maintains and replaces furniture, fixtures, and equipment at its expense during the term.
- **Guarantee.** Rent obligation is guaranteed by The Wanderlux Collection and backstopped by Indiana Dunes Club Development LLC for the full ten-year term.
- **Renewal.** One five-year renewal option at the then-current market rate, negotiated in year 10.

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*Program terms current as of September 2026. Indiana Dunes Club Development LLC reserves the right to revise fees, minimum-stay rules, furnishing standards, and master-lease terms prior to lease execution. The Wanderlux Collection is the hospitality arm of NWI Development Group. Rent figures in the 10-year schedule are illustrative based on a \$1,000,000 purchase price; actual rent is calculated from the executed purchase price of the specific residence. Not an offer of investment.*