



crypto clubhouses

a smarter way to lodging

WHITEPAPER



ABSTRACT

Travellers have come to rely almost exclusively on Hotels, Hostels, and/or marketplaces like Airbnb when seeking to reserve a safe and suitable lodging accommodation. However, while the system works well enough for most travellers, it still suffers from inherent weaknesses which limit a traveller's potential for long-term value and personalized experiences.

This paper proposes the constitution of a blockchain-enabled ecosystem for luxury resorts and tourism participation. The ecosystem will create a unique opportunity for club members by merging blockchain technology with existing real estate concepts. By combining these principles, club members can utilize real estate accommodations more exclusively than ever before.

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1. INTRODUCTION

1.1. DISCLAIMER

This document describes various aspects of the Crypto Clubhouses V.1. project and its economics. This document contains forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially—with regard to the entire Crypto Clubhouses ecosystem and membership club.

Through this document, Crypto Clubhouses Inc provides information about its business model and opportunities to buy or sell NFTs. You should not construe any such information or other content available through this document as legal, financial or tax advice. You alone are responsible for evaluating the merits and risks associated with using any information on this document before making any decisions based on it.

All information in this document, which may include but is not limited to; opinions, charts, finance, news, data, research and analysis, are provided as general research, mostly from identified authors and sources, and does not constitute any solicited advice or other forms of advice. Before deciding whether to participate in the Crypto Clubhouses ecosystem, please carefully consider your objectives, level of experience and risk appetite. Do your research and homework, and do not put funds or financial resources you cannot afford to lose. We urge you to seek appropriate advice based on your circumstances.

This document is for informational purposes only and does not constitute an offer or solicitation to sell shares or securities in Crypto Clubhouses Inc or any related or associated company. Any such offer or solicitation will be made only by means of a confidential offering memorandum and under the terms of all applicable laws of the country of incorporation of Crypto Clubhouses Inc.

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To the fullest extent permitted by applicable law, Crypto Clubhouses and its NFTs are provided to you without any warranty. NFTs are intangible digital assets that exist only by virtue of the ownership record maintained on the relevant blockchain and are not legal tender or intended for investment purposes.

You must be 21 years or older to participate within the Crypto Clubhouses ecosystem.

1.2. BACKGROUND

The traditional global real estate market is one of the largest markets on earth – valued at more than 280 trillion dollars [1]. Yet, despite its impressive market size, traditional real estate is often critiqued as one of the most illiquid and nontransparent markets because of high investment costs, inefficient processes, and expensive middlemen. Tokenization addresses the drawbacks of traditional real estate by reducing market barriers, increasing liquidity, improving transparency, and streamlining processes [2].

To understand tokenization, we must first understand blockchain. The blockchain network is a decentralized database that stores information like a digital ledger – irreversibly tracking and listing every transaction on a token.[3] Blockchain is nearly impossible to change, hack, or cheat because it is embedded with smart contracts that permanently record transactions and make them viewable to anyone.[4] Real estate tokenization is the process of fractionalizing or breaking down property into tokens stored on a blockchain.

Tokenization uses fractionalization to reduce the high costs of traditional real estate. It essentially allows everyday people to enjoy smaller portions of the same property, thereby increasing accessibility to the property with lower costs.

Crypto Clubhouses Inc is intended to be a blockchain-powered ecosystem focusing on tokenizing the tourism and property industry, primarily homestays for vacation rentals and tourism activities. The mission is to link global audiences with luxurious fractionalized real estate and experiences.

The ecosystem will focus on evolving the tourism, property, and lodging industry by utilizing proptech, blockchain technology, and smart tourism.

Domain: www.cryptoclubhouses.io

1.3. OUR VISION

Throughout history, humans have always had the intangible desire to explore and challenge geographical boundaries. This intangible desire to travel has provided benefits to our society for centuries, ultimately leading to incredible socio-economic progress.

With the inception of the Internet and, more recently blockchain technology, lodging and travel can be unprecedentedly more efficient than ever before. We believe that the apparent challenges in the tourism, lodging, and travel industry can be addressed by merging prop tech, smart tourism, and blockchain technology with well-established real estate principles.

We believe that the transparency, utility, and decentralized nature of blockchain offers a unique opportunity for the tourist, the business traveler, and the NFT collector. We hope to create an entire ecosystem involving various properties to provide tourists with more value and personalized experiences.

Travelers, for example, often cannot share, transfer or modify their travel experiences under the traditional lodging model. Tourism and lodging may have come a long way throughout history, but it is undoubtedly far from seamless or perfect.

Our vision is to create a travel and lodging platform that is for the best interest of the community. We want the exclusive club members to actively participate in the platform and provide feedback on the experiences we propose.

1.4. OUR MISSION

The mission is to create a travel and lodging ecosystem that democratizes property digitization allowing for a more unique, beneficial, and customizable experience for tourists, travelers, and those seeking to procure lodging accommodation(s), short or long term.

To achieve this, Crypto Clubhouses Inc aims to combine digital assets with the world of property, initially leveraging well-established models in the current tourism and property industry. However, the Crypto Clubhouses ecosystem is not offering tokenized property ownerships, but rather exclusive lodging experiences that are available to club members. For example, the NFT does not give right to ownership or control of the project or the properties, but rather the right to visit and use the amenities on the property during specific periods of time.

We plan to add additional tools, services and features to the ecosystem that will continue to combine digital assets with the world of property as time progresses. We strive to offer a "smarter" and more enjoyable experience.

We believe that the future of lodging is powered by emerging technologies like proptech and blockchain, which allow for enhanced transparency when tracing transactions, property records, and travel records. We intend to showcase how blockchain technology can enable an entire property ecosystem that offers massive advantages over the traditional property, tourism, and timesharing markets.

1.5. THE PROBLEM

There is a dire need for the real estate industry to catch up with advances in cryptocurrency and blockchain technologies. Blockchain-based solutions are massively under-utilized within the real estate sector despite their profound ability to ensure an efficient, transparent, safe and effective way of communicating data and information for all those involved within the real estate and tourism sectors.

Blockchain-based solutions for real estate documentation for example offers secure encryption techniques that safeguard the integrity of individuals' information when communicating with different parties. Through tokenization, smart contracts and the encryption techniques that are involved in blockchain network transactions, the transactional processes involving real estate will be reduced massively, enabling participants to receive the necessary information and to transact more efficiently. This is a result of the participants being able to access the relevant information quickly, when they would have previously been depending on a third party or on files physically mailed or emailed. Sources, such as attorneys, land surveyors, contractors, etc.

Not only can tokenisation facilitate more efficient interaction and communication between real estate providers and tourism participants, it can also support and improve a more decentralized ecosystem when compared to its traditional counterparts.

Property transactions under the traditional model entail a range of inefficiencies. Tourists that are renting short-term accommodations, for example, often cannot share, transfer, or modify their experience and must succumb to the existing supply available within the rental market. Often, they must compromise their expectations and might even have to jump through hoops to complete complex paperwork and legal processes.

Some inefficiencies are caused due to global lodging inventory that is often tied to individuals or entities seeking to residually profit from the traveler or guest(s) on a nightly basis. Blockchain technology allows for a more community-driven model where travelers have more control than profit-seeking corporations or individuals. Under the traditional structure, it is rare for a traveler to be capable of sharing, transferring, or modifying their "lodging accommodation". Under a more modernized blockchain-based system, this would become the new normal.

1.6 THE SOLUTION

We believe the solution is democratizing and digitizing the tourism and property industry.

The goal is to create an ecosystem that will address the inefficiencies inherent in the property market and the tourism industry. We are attempting to make these industries better, more efficient, and easier to navigate for all parties involved.

The Crypto Clubhouses platform aims to offer a "smarter" experience, whether you're a casual traveller or a world traveller interested in utilizing the power of blockchain to make your tourism experiences much more prosperous, unique, and enjoyable.

We believe that the future of property involves tokenization since it helps lower barriers to entry and helps to democratize and streamline the property transaction process. We believe in leveraging emerging technology to provide a more meaningful and efficient experience in the tourism or property sectors. We believe this is an incredible opportunity to take advantage of the global tourism industry while offering unique blockchain advantages to world tourists, business travellers, property developers, suppliers, and tourism operators.

The innovative solutions proposed by Crypto Clubhouses provide the harmonic combination of classic methods of property transactions with the possibilities of the most progressive and modern achievements of the digital economy enabled by smart contracts and blockchain technology.

The community helps power the Crypto Clubhouses ecosystem, which would increase awareness of the NFTs and the project. As the ecosystem grows, we can include more exclusive properties and experiences.

It is impossible to predict how exactly the ecosystem will evolve. However, the entire ecosystem itself will be backed by real assets along the way. The Crypto Clubhouses ecosystem is not offering tokenized property ownerships, but rather exclusive lodging experiences that are available to club members. For example, the NFT does not give right to ownership or control of the project or the properties, but rather the right to visit and use the amenities on the property during specific periods of time.

2. CRYPTO CLUBHOUSES

2.1. INTRODUCTION

Crypto Clubhouses is an exclusive membership club that uses blockchain-based solutions to connect global audiences with luxurious lodging accommodations. There is a supply of 4400 Membership Pass NFTs. Additional tokens could be created at a later date.

The NFTs will serve as proof of membership, granting each owner membership to the club and residual access to unique tourism and lodging experiences. The information will live and be immutably stored on the Ethereum blockchain - accessible, transparent, and verifiable. Being a member means being part of a family and fellowship of experience, and adventure-seeking individuals.

*Crypto Clubhouses is intended to be a utility project, not a security token. While security tokens usually act as a trusted resource for the securitization of property, Crypto Clubhouses, on the other hand, is a membership club that offers access to products and services to its lodging and tourist audiences within the Crypto Clubhouses ecosystem.

2.2. THE CLUBHOUSES

Crypto Clubhouses Inc aims to offer an ecosystem that will enable the community and property developers to create lodging experiences. All experiences are unique. The community will be able to buy NFTs of these experiences. The ecosystem will offer this smart tourism with ease, simplicity, and efficiency to the community because of the use of blockchain systems and limited intermediaries in the chain.

These non-fungible tokens will have unique types and characteristics that make them distinguishable. Each NFT is a one-of-a-kind product usually linked to a specific property. The experience attached to it is irreplaceable. This makes the NFT a unique proposition to people who want to trade experiences.

Crypto Clubhouses Inc will use the vast majority of NFT sales to acquire, operate, and preserve approximately six (6) different properties. The properties will accommodate forty-four hundred (4400) members annually on a fractional basis. Additional tokens could be created at a later date.

Membership Pass NFTs (more on these NFTs in the next chapter) will be developed to provide a one-of-a-kind experience that can be linked to various unique elements, including a particular property. For example, the NFT can be linked to a luxurious naturalistic villa with furnishings, features, and amenities. Or perhaps a premium ski-in and ski-out mansion with access to a popular ski resort. Maybe even an incredible penthouse in the middle of a thriving city with a full-time chef and butler. The community can essentially create, share, transfer, modify, and/or retain any unique tourism/lodging experience as an NFT.

Each NFT will have timestamps for each of the unique experiences. For example, the NFTs “date trait” will identify the specific timeframes reserved for the owner of the NFT. This will enable us to create time-based unique experiences that are fractionalized and digitized through the NFT to represent a license to that unique dated experience. This borrows from the existing timeshare model within the tourism industry but offers far more flexibility and freedom. The original buyer of the NFT can share or transfer this unique experience or set of experiences to another person on a secondary marketplace without many centralized entities getting directly involved.

2.3. MEMBERSHIP PASS NFTs

Membership Pass NFTs are utility tokens with a limited release of 4,400 NFTs, which will serve as proof of membership. Additional tokens could be created at a later date. You will need one of these if you want to participate in the Crypto Clubhouses ecosystem. These NFTs will serve as lifelong membership to our club. The goal of introducing Membership Pass NFTs is to provide a reliable and secure method of distinguishing the general public from an exclusive club member. A Membership Pass NFT does not offer owners any ownership; rather, it simply confirms that the owner is a club member, eligible to participate within the Crypto Clubhouses ecosystem.

In addition to its proof of membership quality, owning a Membership Pass NFT gives you the right to use and license tourism and lodging experiences for several days yearly, which will/could be repeated annually. Thus, giving you the right to use the NFT to redeem a rental reservation that belongs to the Crypto Clubhouses ecosystem.

The NFT does not give right to ownership or control of the project or the properties, but rather the right to visit and use the amenities on the property during specific periods of time.

All Membership Pass NFT owners can bring ONE (1) companion with them during their stay. Each private room is equipped for two, meaning that each Membership Pass NFT provides travel experiences for two.

Membership Pass NFTs will have FIVE (5) distinctive trait groups. Holders must pay close attention to these traits as this will significantly impact the experiences they are entitled to within the Crypto Clubhouses ecosystem. These traits are further described within the next section of this whitepaper.

The public can mint a Membership Pass NFT directly from our website or purchase one from the OpenSea marketplace when memberships have sold out. The first six clubhouse will be purchased and prepared after the first 4400 Membership NFTs have been sold.

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2.4. MEMBERSHIP PASS NFT TRAITS

Trait Grouping #1 - Clubhouse Theme

A Membership Pass NFT is always linked to a particular clubhouse. Therefore this trait will identify the specific property that is accessible to the Membership Pass NFT holder. The NFT holder only has a right to visit the clubhouse associated with their NFT. Initially, four different themed clubhouses will exist:

Glampground	City Clubhouse	Slope Clubhouse	Lake Clubhouse
3600 Members	200 Members	200 Members	400 Members
Private accommodation for two established on acres of beautiful & private land.	Private accommodation for two located in a major Canadian city such as Montreal, Vancouver, or Toronto.	Private accommodation for two designed for skiing/snowboarding enthusiasts to shred powder.	Private accommodation for two established on tranquil and private property immersed in northern nature.

Trait Grouping #2 - Staying Rights

This trait identifies the specific dates reserved for the owner of the NFT and their companion. The reservation is outlined in months and days and is exclusively reserved for the NFT holder residually, year after year.

Glampground	City Clubhouse	Slope Clubhouse	Lake Clubhouse
Accommodates 18 groups of 200 NFT holders plus their companions for a consecutive 18-week cycle per year.	Accommodates 40 groups of 5 NFT holders plus their companions for a consecutive 23-week cycle per year.	Accommodates 40 groups of 5 NFT holders plus their companions for a consecutive 23-week cycle per year.	Accommodate 80 groups of 5 NFT holders plus their companions for a consecutive 23-week cycle per year.
Eight days and seven nights per NFT holder	Five days and four nights per NFT holder	Five days and four nights per NFT holder	Five days and four nights per NFT holder

Trait Grouping #3 - Private Portion Number

This trait identifies the exclusive private portion reserved for the NFT holder.

Trait Grouping #4 - Assets and Amenities

This trait identifies any Assets or Amenities within the clubhouse that are reserved exclusively for the use of the NFT holder. For example, your NFT could have some of the following assets and amenities:

Bed	Toiletries	Microwave
Premium bedding	Coffee/tea machine	Fridge
TV	Dishwasher	Oven
Major streaming services such as Netflix or Crave	Freezer	Toaster
Wired Internet	Cookware/dishes/utensils	Iron/ironing board
Scenic Views	Wardrobe or closet	Towels
Bathroom	Washer/dryer	Air conditioning
Toilet	Shower	Heating
		Safe

Trait Grouping #5 - Experience

Some NFTs come with exclusive experiences. If your NFT has an experience trait, then your reservation dates are during a planned event. This means that you will benefit from additional perks and experiences upon your arrival. Some examples could be “New Years Eve”, “Grand Prix Weekend”, or a planned activity and adventure by Crypto Clubhouses.

2.5. REAL-LIFE HYPOTHETICAL #1

A couple with a passion for skiing have decided to travel to Canada, specifically Whistler, BC, to take advantage of Whistler Blackcomb, one of the largest ski resorts in North America. Besides skiing and snowboarding, the area offers snowshoeing, tobogganing and ski jumping at the Olympic Park, which was a venue for the 2010 Vancouver Winter Olympics.

After speaking with their travel agent and browsing various websites, the couple is unimpressed by the inventory of the short-term lodging supply. However, they are concerned about their options, particularly about the cost of the trip and the quality/suitability of their lodging accommodation.

Most accommodations adjacent to the mountain are too expensive, and those that are affordable have little to no amenities and lack quality, not meeting the couple's safety or cleanliness expectations. Previous experience suggests that they will have to compromise their desires and settle for an accommodation that only meets their basic needs.

The couple is excited about their trip but are disappointed that they will have to avoid any amenities that could have significantly enhanced their experience, leading to a more enjoyable outcome, such as a ski in ski out, with mountain views boasting luxurious finishes and amenities.

Instead, they realize they must reserve an accommodation that is a 45-minute drive from the mountain, with no views, in a modest suburb, with outdated finishes and amenities. They will get to enjoy the mountain but are at the mercy of the short-term rental supply and must sacrifice the quality of their experience.

Before committing to the traditional method, the couple gets to know about Crypto Clubhouses, and they immediately opt for it. Why?

- 1) The couple realizes that the Crypto Clubhouses ecosystem provides a customizable experience for each member, becoming even more customizable as the marketplace evolves. It supports the creation of personalized and luxurious lodging accommodations that don't involve the traveller having to go through complex procedures. Together members begin crafting their own unique lodging experiences which cater to their specific needs and desires.
- 2) The couple realized that instead of booking an expensive lodging accommodation which will eventually expire, they could own an NFT, which gives them the right to revisit the accommodation year after year.
- 3) The couple realizes that not only can they create a more customized experience and revisit the property year after year, but they can also have the ability to share or transfer these NFTs to another person in the future if it is not needed, without involving many intermediaries.
- 4) The couple realizes that there is a unique community element around crypto clubhouses that does not exist in the traditional short-term rental market.

2.6. REAL-LIFE HYPOTHETICAL #2

A person is proposed by his friend to spend the summer holidays in June of 2023 in San Diego, California. The friend has found accommodation within a five-star resort close to the city center with two king beds, a balcony, and access to various amenities and a private beach. This particular experience will cost the duo approximately \$1200/night + taxes and applicable fees according to the rates available on booking.com as of recent dates. A mere seven-night stay

that eventually expires could cost upwards of \$8,000, leaving the traveller with nothing but memories and a receipt upon departure.

The friends learn about Crypto Clubhouses, and they immediately opt for it. Why?

- 1) They realize they can depart their summer vacation in San Diego with an NFT that can be utilized again next year.
- 2) The friends realize they can both split the cost of the NFTs since the owner of one Membership Pass NFT is allowed to bring a companion with them.
- 3) They realize that they are now members of the community and may meet new people along the way and have cherished experiences.
- 4) Owning these NFTs will give them the ability to exclusive club members to actively participate within the platform and to provide feedback on the experiences proposed.
- 5) They can even lend or gift the NFT to a friend or relative.

2.7. REAL-LIFE HYPOTHETICAL #3

Imagine a young couple excited to embark on their first trip together. They purchased a Membership Pass NFT within the Crypto Clubhouses ecosystem and discovered that their NFT is linked to a 5-day-4-night stay within a gorgeous waterfront villa. The NFT does not offer them any ownership rights to the property, but it confirms that they have reserved a private room within the villa for a specific period that is residual for each and every year.

As the couple mingles around the property and makes friends, they discover a much more exclusive villa currently available in a better part of town. The estate is larger, has private beach access, and boasts an incredibly fully equipped nordic spa. So they begin thinking about whether they should upgrade their current trip.

With smart tourism, there's no need to deal with frustrating intermediaries that can affect the course of your stay. So instead of going through hurdles and wasting time, the couple decides that they will sell their NFT - offering access to their villa experience - and instead purchase another NFT that gives them access to the upgraded villa experience. The NFT is not a security but simply offers utility access to the villa experience for a specified period of time that reoccurs year after year and can be sold to other interested parties.

2.8. Marketing Strategy

We plan on taking a relatively straightforward marketing approach to helping people learn about our project. That is leveraging technology to help people stay engaged within the community. Our goal is to turn new leads into NFT holders. We know these holders will also have to step up to become Crypto Clubhouse advocates. We are confident that we will eventually be able to build a global community of vibrant web3 tourists, travellers, and ambassadors. Since Crypto Clubhouse NFTs have real-world utility with respect to tourism and property, we expect our project to attract a robust community of like-minded individuals who love to travel and embrace innovation. We remain confident that these innovators can help with initial adoption, and marketing initiatives can then help strengthen our branding, messaging, and positioning within the crypto travel and lodging sector.

3. OPERATIONAL MANAGEMENT

3.1. General Overview

The operators of Crypto Clubhouses Inc will ensure to retain the services of all professionals, contractors, subcontractors, workers, and in general, all persons and companies whose services are required for the management and daily maintenance of the building's accessories and equipment.

More specifically, the operators will:

- 1.) solicit, negotiate, and conclude any contract for the work, insurance, services, or purchase of materials required for the management and maintenance of the buildings.
- 2.) supervise the buildings and carry out the maintenance repairs necessary to maintain the buildings, ensure its supply of electricity, water, and other services, and for these purposes, use the employees of the buildings or contractors, according to what will be the most advantageous to efficiently and economically operate the buildings, its equipment and its accessories.
- 3.) supervise the landscaping, the grounds maintenance, the electrical circuits' good working order, the lighting fixtures in the interior and exterior areas, cleanings, exterior and interior painting, maintenance and repair of heating, ventilation, elevator, or any other equipment of the immovables. Also, the supervision of household waste and/or recycling, and necessary services so that the elements are permanently in a clean, neat, functional and safe state.
- 4.) purchase the equipment, tools, devices, materials and supplies for the proper operation and maintenance of the properties.
- 5.) obtain, in a timely manner, the permits, approvals and inspections required by the competent authorities under the legislative or regulatory provisions applicable to the buildings.
- 6.) supervise concierge tasks according to pre-established duties, as well as monitor vacations, illnesses and replacements (if applicable).
- 7.) ensure the application and respect of the law and the easements of the by-laws of the building adopted by the members. Send a notice to offenders and ensure follow-up. The community must promptly notify the creators of any failure from a member to fulfill their obligations.
- 8.) promptly attempt to resolve any problem or dispute concerning the members.
- 9.) process insurance claims for or against the building and ensure that the members' rights are protected with respect to such claims.
- 10.) Make a virtual concierge telephone service available to guests from 8:00 am to 5:00 pm from Monday to Friday, in addition to providing emergency service 24/7.

3.2. Maintenance Log Book

Each clubhouse will have its unique logbook, containing the immovable main construction and technical characteristics, listing the various maintenance, upkeep, warranty and insurance contracts. It determines the work schedule under the asset management plan.

The logbook is all the more justified because the operators may eventually experience frequent changes. Without the logbook, the knowledge transfer between the former and to latter is rarely assured. Therefore, it is imperative that key decision makers are aware of the building's state of repairs and the history of prior interventions. Without a maintenance logbook, a key decision maker must start from scratch and limit their actions to specific interventions. Not being a part of a comprehensive approach in a continuum of previous operations, such interventions are often unnecessary or, even worse, may aggravate the building's state of repairs.

To be valid, the maintenance logbook should contain at least the following information:

- 1) The site history upon which the immovable is erected;
- 2) The construction year and/or that of the renovation of the immovable (construction permit);
- 3) The completion year of significant work in the immovable, the identity of the enterprises that carried out such work, the plans, specifications, guarantees and workshops drawings;
- 4) The immovable technical description (the architectural and engineering plans, the cadastral plan, the technical reports, the exemptions granted, etc.);
- 5) The maintenance manuals kept up to date and address the actual needs of the building and the equipment, systems and building components;
- 6) The equipment and systems 'contractual guarantees';
- 7) References to the maintenance and upkeep contracts of equipment, along with their expiry date;
- 8) The maintenance strategy and planning, as well as its history and follow-up.

3.3. Quality Control

We will initially release six (6) themed clubhouses as a proof of concept. The evolution and operations of these clubhouses will be meticulously studied to ensure that our clubhouses meet community standards and expectations while ensuring that future clubhouses are more sustainable, efficient, and accommodating. We believe that any project must evolve naturally, and although our plan is scalable, we must evaluate how the proof of concept evolves. We will use our findings during the proof of concept to refine our strategy. Certain community members will be asked to participate in focus groups and surveys to help enhance community experiences. In addition, each clubhouse will have by-laws which community members must respect.

3.4. Customer Service

Contact us by e-mail, on Discord or on Twitter.

A dedicated emergency service telephone line will be available 24/7 in case of an emergency.

3.5. Check-in & Check-out

Each clubhouse is fractional and seasonal, meaning that a nightly reservation within a given immovable will always accommodate multiple NFT holders (fractionality) and that these NFT holders will only use the property during a subset of days per year (seasonality); the remaining days being reserved for members and/or the general public.

For example, the city clubhouse can accommodate 200 members. Therefore there will be 200 NFTs associated with the city clubhouse, giving access to the 200 members.

These 200 members are fractionalized into 40 groups of 5 members per group.

Every calendar year, two hundred (200) Membership Pass NFT holders and their guests are invited to the clubhouse based on trait #2 of the Membership Pass NFT.

Each clubhouse operates seasonally, meaning that part of the year is reserved for the NFT holders while the other part of the year is reserved for the general public. Once the NFT holders have all spent their time at the clubhouse, the creators will rent the property to the general public and/or the community at privileged rates to cover the overhead expenses...

365 days in a calendar year. 183 days for rental and maintenance/upkeep. 182 days for Membership Pass NFT holders.

Check-in is always at 5:00 pm, and check-out is always at 10:00 am.

4. FINANCIAL MANAGEMENT

4.1. Background

Most of the money collected from Membership Pass NFT sales will go towards funding different wallets that will collectively serve the community. The exact allocation of funds and their intended purposes are described below.

Community Operational Wallets	Corporate Operational Wallet	Contingency Fund Wallets	Self Insurance Wallets	Reserve Wallet	Tax Wallet
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4.2. Community Operational Wallets

Funds from the community operational wallets must only be used to manage the day-to-day operations of the individual Crypto Clubhouses, including the minor maintenance and operations of those immovables and any administrative duties. This includes but is not limited to property management, housekeeping, landscaping, snow removal, security services, etc. We anticipate that the rental income generated during the "off-season" periods will sustainably fund these wallets yearly. In the event of a budget deficit, meaning that the "off-season" rental income does not cover the clubhouse's overhead expenses for the year, then an additional membership fee will be payable by each NFT owner in proportion to the deficit. On the contrary, if there is a budget surplus then the total membership will decrease for each member in proportion to the surplus. Only members associated with specific clubhouses with a deficit or surplus during a specific fiscal year will be affected by this fee. Each Clubhouse will have their own operational wallet.

4.3. Corporate Operational Wallet

Funds from this wallet must only be used to manage the day-to-day operations of Crypto Clubhouses Inc. The following may be considered when determining operating expenses - it is not an exhaustive list:

Advertising	Business start-up costs	Business tax, fees, licenses and dues	Delivery, freight and express	Fuel costs (except for motor vehicles)
Insurance	Interest and bank charges	Fees & Penalties	Legal, accounting & other professional fees	Maintenance and repairs
Management and administration fees	Motor vehicle expenses	Office expenses	Other business expenses	Rent
Salaries, wages and benefits	Supplies	Telephone and utilities	Travel	-

This wallet is funded by a recurring membership fee paid by members. Initially there will be a membership fee of \$11.99CAD/month/member to cover the operations of the Crypto Clubhouses incorporation.

4.4. Contingency Wallets

The contingency wallet is established to cater to major repairs and replacement of common items. In addition, whenever a new clubhouse is purchased, an asset management plan and contingency fund study will be produced by a certified engineer.

An asset management plan is a document listing the work undertaken over several years in relation to a specific immovable property. The plan specifies the order of priority of the work and its cost to ensure the orderly maintenance of the property and anticipate its deterioration. In addition, it includes the contingency fund survey, the maintenance log, and the certificate of the condition of the immovable.

The contingency wallet is meant to be used for major repairs and replacement of building elements and/or accessories, in accordance with the immovable asset management plan.

To ensure the conservation, maintenance, and administration of the immovable, each clubhouse will have its unique asset management plan drafted by a certified engineer licensed to practice within the clubhouse's jurisdiction.

The asset management plan should allow for the creation of a short, medium, and long-term financing plan to ensure the repairs or the replacement of essential building elements can be carried out. This study will specify what monies are needed annually (adjusted to inflation) so that the contingency wallet is sufficient to carry out necessary repairs across all clubhouses.

The operators must see that the works necessary for preserving and maintaining the immovables are carried out.

The operators must use this wallet carefully. It should not, under most pretext, be used to finance operational costs relating to the building or the current administration of the immovable. It should only be used to pay for major repairs and replacement of building elements and/or accessories.

This wallet is funded by a recurring membership fee paid by members. We estimate that the membership fee will be approximately \$3.75CAD/month/member, assuming it will cost approximately \$5,000,000 to preserve the clubhouses over twenty-five years.

Contingency funds are allocated fairly so that the holders of a specific clubhouse pay proportionally for their property. Each clubhouse will have its own contingency fund wallet.

4.5. CCH Tax Wallet

Funds from this wallet must only be used to pay the taxes due to the appropriate and competent authorities (i.e. government bodies).

We forecast a conservative 22% corporate tax, a 3.5% tourism tax, and a 14.95% tax on goods and services. The community will do what it can to minimize potential tax exposure by utilizing whatever legal frameworks and strategies exist and enable the legal preservation of more capital.

4.6. Reserve Wallet

A monetary reserve of approximately 5% of the entire sales from Membership NFT passes will be kept in reserve for future use.

4.7. Self-Insurance Wallets

It had become necessary to plan for disaster due to a substantial increase in insurance premiums and deductibles. The amount of these fees were formerly negligible, whereas today, they can reach tens, even hundreds of thousands of dollars.

The Self-Insurance Wallet will allow the creation of a crucial monetary reserve to pay the sums that the insurance company does not cover. For example, if the deductible for a claim is \$10,000 and the damages are assessed to \$18,000, the insurer will only pay \$8,000. In this example, the remaining \$10,000 would be paid by the self-insurance wallet rather than disrupting the flow of the operational wallet, which is based on more stable and predictable factors.

The self-insurance fund is meant to pay the various deductibles that must be assumed following a claim. These deductibles cover the building insurance, the immovable liability insurance, and the operators and creators.

This self-insurance wallet must also be used to repair the damages caused to the property for which Crypto Clubhouses has an insurable interest. For example, the payment of the cost of the renovation of a property that is not compensated by the insurer following damage or disaster.

This reserve of money is based on the deductible that must be paid in connection with the immovable's insurance coverage. The financial contribution must equal the higher deductible amongst all the insurance coverage subscribed. Earthquake and flooding deductibles are excluded for this calculation, should those coverage be part of the insurance contract.

The operators must use this wallet carefully. It cannot, under any pretext, be used to finance maintenance costs relating to the building or the current administration of the immovable. It should only be used to pay for repairs and replacement of building elements and/or accessories following a claim.

The operators will ensure that a certified appraiser establishes the reconstruction value of each clubhouse so that it is adequately insured.

If the self-insurance fund needs to be replenished, each member associated with that clubhouse will be charged an additional membership fee. We estimate that every \$10,000 of replenishment will cost members anywhere between \$0.46CAD and \$4.16CAD/month/ member of the specific clubhouse affected by the disaster.

4.8. Proposed Budget for Year 1

Below you will find the proposed budget for year #1. The budget is for information purposes only. It is not binding but presented for transparency. It is, however, a reliable preliminary projection. The official budget may differ from the one below. This is especially true for the contingency fund and insurance reserve fund which will be established on the basis of the asset management plan and the insurance appraisal reports which have not yet been produced.

BUDGET YEAR ONE

INCOME	Operational Wallet	Contingency Fund Wallet (est)	Self-Insurance Wallet (est)	Reserve Wallet	Tax Wallet (est)	Budget Year 1 TOTAL
Membership Pass NFT Sales	\$ 20,000,000	\$ -	\$ 45,000	\$ 1,800,000	\$ 11,530,118	\$ 33,375,118
Membership Fee (Contingency Fund)	\$ -	\$ 200,000	\$ -	\$ -	\$ 94,768	\$ 294,768
Membership Fee (CCH Operating Fund)	\$ 589,200	\$ -	\$ -	\$ -	\$ -	\$ 589,200
Rental Income - Clubhouse #1 (off season)	\$ 133,500	\$ -	\$ -	\$ -	\$ -	\$ 133,500
Rental Income - Clubhouse #2 (off season)	\$ 133,500	\$ -	\$ -	\$ -	\$ -	\$ 133,500
Rental Income - Clubhouse #3 (off season)	\$ 155,250	\$ -	\$ -	\$ -	\$ -	\$ 155,250
Rental Income - Clubhouse #4 (off season)	\$ 133,500	\$ -	\$ -	\$ -	\$ -	\$ 133,500
Rental Income - Clubhouse #5 (off season)	\$ 296,000	\$ -	\$ -	\$ -	\$ -	\$ 296,000
Rental Income - Clubhouse #6 (off season)	\$ 296,000	\$ -	\$ -	\$ -	\$ -	\$ 296,000
TOTAL	\$ 21,736,950	\$ 200,000	\$ 45,000	\$ 1,800,000	\$ 11,624,886	\$ 35,406,836
EXPENSES						
Services (annex A)	\$ 148,200	\$ -	\$ -	\$ -	\$ -	\$ 148,200
Administration (annex B)	\$ 441,000	\$ -	\$ -	\$ -	\$ -	\$ 441,000
Clubhouse Overhead (annex C)	\$ 1,147,750	\$ 200,000	\$ -	\$ -	\$ -	\$ 1,347,750
Asset Procurement & Others (annex D)	\$ 20,000,000	\$ -	\$ -	\$ -	\$ 11,624,886	\$ 31,624,886
TOTAL	\$ 21,736,950	\$ 200,000	\$ -	\$ -	\$ 11,624,886	\$ 33,561,836

ANNEXES

	Operational Wallet	Contingency Fund Wallet	Self Insurance Wallet	Reserve Wallet	Tax Wallet	Total Year 1
SERVICES (annex A)						
Insurance Premium	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000
Telecommunications	\$ 7,200	\$ -	\$ -	\$ -	\$ -	\$ 7,200
Marketing	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Office rent	\$ 12,000	\$ -	\$ -	\$ -	\$ -	\$ 12,000
Travel expenses	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ 70,000
Electricity and heating	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ 4,000
	\$148,200	\$0	\$0	\$0	\$0	\$148,200
ADMINISTRATION (annex B)						
Employees	\$ 420,000	\$ -	\$ -	\$ -	\$ -	\$ 420,000
Legal fees	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ 15,000
Accounting fees	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ 6,000
	\$441,000	\$0	\$0	\$0	\$0	\$441,000
CLUBHOUSE OVERHEAD & EXPENSES (annex C)						
Clubhouse #1 - City	\$133,500	\$ 33,333	\$ -	\$ -	\$ -	\$ 166,833
Clubhouse #2 - Slope	\$133,500	\$ 33,333	\$ -	\$ -	\$ -	\$ 166,833
Clubhouse #3 - Nature	\$155,250	\$ 33,333	\$ -	\$ -	\$ -	\$ 188,583
Clubhouse #4 - City	\$133,500	\$ 33,333	\$ -	\$ -	\$ -	\$ 166,833
Clubhouse #5 - Glampground Summer	\$296,000	\$ 33,334	\$ -	\$ -	\$ -	\$ 329,334
Clubhouse #6 - Glampground Winter	\$296,000	\$ 33,334	\$ -	\$ -	\$ -	\$ 329,334
	\$1,147,750	\$200,000	\$0	\$0	\$0	\$1,347,750
ASSET PROCUREMENT & OTHERS (annex D)						
Creators cut	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000
Clubhouse Aquisition #1	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000
Clubhouse Aquisition #2	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000
Clubhouse Aquisition #3	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000
Clubhouse Aquisition #4	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000
Clubhouse Aquisition #5	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000
Clubhouse Aquisition #6	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000
Taxes due	\$ -	\$ -	\$ -	\$ -	\$ 11,624,886	\$ 11,624,886
	\$20,000,000	\$0	\$0	\$0	\$11,624,886	\$31,624,886
Total Costs	\$20,589,200	\$0	\$0	\$0	\$11,624,886	\$33,561,836

4.9 Financial Statements

The operator reserves the right to make financial statements available to the community. This includes, among other things: a balance sheet, a statement of income and expenses compared to the budget for the past annual period, a list of accounts receivable, accounts payable and the cash situation.

4.10. Royalty Distribution:

Royalties that are derived from the Membership Pass NFT sales on secondary marketplaces such as OpenSea will be paid personally to the creators of Crypto Clubhouses Inc. They are established at 5%. Community members should not expect to profit from any royalties or dividends from the project or the properties.

4.11. Unpaid Membership Fees

Membership fees are vital to the ecosystem. They power Crypto Clubhouses Inc as an entity while simultaneously preserving and maintaining the clubhouses.

Membership fees are due annually. 365 days following the sell out of the initial launch (4400 Membership Pass NFT) marks the date in which the first membership fees become payable.

There will be a zero-tolerance for unpaid membership fees. A member that does not pay their respective fees will lose their right to participate within the ecosystem. In extreme cases, the NFT may be voided and reissued.

As per this whitepaper, the total membership fee per NFT holder amounts to \$15.74CAD/month.

5. CONCLUSION

5.1. Summary

There is a dire need for the real estate industry to catch up with advances in cryptocurrency and blockchain technologies. Blockchain-based solutions are massively under-utilized within the real estate sector despite their profound ability to ensure an efficient, transparent, safe and effective way of communicating data and information for all those involved within the real estate and tourism sectors.

This paper proposes the constitution of a blockchain-enabled ecosystem for luxury resorts and tourism participation. The ecosystem aims to create a unique opportunity for club members by merging blockchain technology with existing real estate concepts. By combining these principles, club members can utilize real estate accommodations more exclusively than ever before.

Crypto Clubhouses Inc will use the vast majority of NFT sales to acquire, operate, and preserve approximately six (6) different properties. The properties will be called clubhouses and they will accommodate forty-four hundred (4400) members annually on a fractional basis. Additional tokens and clubhouses could be created at a later date.

The community can essentially create, share, transfer, modify, and/or retain any unique tourism/lodging experience as an NFT.

Each NFT will have timestamps for each of the unique experiences. For example, the NFTs "date trait" will identify the specific timeframes reserved for the owner of the NFT. This will enable us to create time-based unique experiences that are fractionalized and digitized through the NFT to represent a license to that unique dated experience.

We believe that the future of lodging is powered by emerging technologies like proptech and blockchain, which allow for enhanced transparency when tracing transactions, property records, and travel records. We intend to showcase how blockchain technology can enable an entire property ecosystem that offers massive advantages over the traditional property, tourism, and timesharing markets. We strive to offer a "smarter" and more enjoyable lodging experience while being your most exclusive community based travel platform.

SOURCES:

[1] Marie Huillet, *Tokenized Real Estate Market could hit \$1.4T despite a slow start, report claims*, Cointelegraph (Aug. 13, 2021), <https://cointelegraph.com/news/tokenized-real-estate-market-could-hit-1-4t-despite-a-slow-start-report-claims>.

[2] id

[3] id

[4] Luke Conway, *Blockchain Explained*, Investopedia (Nov. 04, 2021), <https://www.investopedia.com/terms/b/blockchain.asp>.