

Frequently Asked Questions and Answers

Q. What are the advantages of Fractional Ownership?

A. Cost and convenience. You can own a luxurious beachfront home for a fraction of the cost and responsibility. Ownership in The Villas at Club Intrawest – Zihuatanejo has been designed to provide more convenience, services and amenities than are provided by an equally luxurious whole-ownership vacation home; to provide owners with generous and flexible usage; to remove the worries typically associated with second home ownership; and to significantly reduce the *financial* burden through common ownership of a private residence.

Q. Why was the concept developed?

A. Fractional ownership is one of the fastest growing segments of the real estate industry. As the price of premium resort property continues to escalate at unprecedented rates, so does the popularity of fractional ownership. The concept satisfies this growing demand with an ownership model that follows a “pay for what you use” philosophy and makes sense for those seeking the most complete, exceptional vacation experiences without the maintenance and upkeep that come with owning a vacation home.

Q. How is this different from typical timeshare?

A. Timeshare is typically the right to use only a specific week, and lodging is limited to a specific unit. Timeshare ownership structure varies but some do not include an asset base. Fractional ownership provides more use time and always provides a real estate asset that can be willed to heirs or sold at any time. It is much more like owning part of a second home.

Q. How are The Villas owned?

A. Each Villa will be co-owned by up to 9 owners, each owning a one-ninth interest as a tenant in common. To comply with the requirements of Mexican law pertaining to the ownership of property within 50 miles of the coast, the title to all units will be registered in the name of a large multi-national bank licensed in Mexico to act as a public Trustee. The Trustee acts under the terms of an Irrevocable Trust Declaration registered in the Public Registry in the State of Guerrero, Mexico. Title is evidenced by a real estate deed in favor of the Trustee, which is recorded and insured by a title insurance policy. The registered Trust Declaration functions like a trust typically held in the United States for estate planning and other purposes.

The public Trustee records an Assignment of Trust Beneficiary Rights from the Developer to the Owner as the beneficiary of the trust conveying the usage rights to either a 2- or 3-bedroom Villa and the amenities of the resort. As a registered beneficiary of the Trust, an Owner has the exclusive right to use, sell, transfer or will their Villa property as they see fit. To ensure that all Owners receive identical evidence of title, all Villas units will be held in one Trust, regardless of the country of residence of the Owner. Since 1993, when the relevant legislation was passed in Mexico, thousands of non-residents have invested hundreds of millions of dollars in Mexican coastal properties using this method of ownership.

Q. How often can I use The Villas?

A. Each 1/9th ownership interest guarantees five (5) weeks each year. This is called Planned Time and it corresponds to a Use Year. A Planned Time week is a 7-night stay with check-in on a Saturday.

You will also be able to access Space Available time, which refers to unreserved time remaining after all Planned Time has been reserved. Space Available stays may be from 1 to 7 nights.

Q. How do I book my time?

- A. You will submit your Planned Time requests in two Selection Cycles for travel dates during the upcoming Use Year. The first Selection Cycle is during the month of July, after which you will be provided with an availability schedule so you can submit requests for the second Selection Cycle by September 15. Confirmations for the first Selection Cycle will be sent by August 15 of each year, and for the second Selection Cycle by September 30 of each year.

In order to provide maximum flexibility, most requests may be made for Planned Time weeks to occur individually, consecutively or in multiple Villas for the same week. The first Selection Cycle has certain parameters in place to ensure fair access for all Owners during highly demanded periods.

Space Available can be booked after the first two Selection Cycles have been completed and all of your Planned Time has been reserved. Space Available will be assigned on a first-come, first-served basis.

The attached Villas at Club Intrawest – Usage Guidelines document provides detailed information on the reservation process, including specific detail on reservation guidelines for each Selection Cycle. Please refer to this document for more information.

Q. How is my use priority determined?

- A. A well-tested and widely used priority rotation schedule will be used to assign Planned Time requests. This Priority Reservation Schedule will be assigned to you at the time of purchase based on a random selection. For each Use Year, you will have two priority numbers, one for each of the first and second Selection Cycles.

Q. Will I always stay in the same Villa?

- A. All Villas have extraordinary views of the resort and blue waters of Zihuatanejo Bay. While your purchase contract is for a specific Villa, the usage plan utilizes all Villas in order to provide more flexibility. Therefore, Owners of 2-Bedroom Villas will have access to the entire collection of 2-Bedroom Villas and the same applies to 3-Bedroom Owners.

Q. Can I rent out my time?

- A. Yes – you are able to rent your Planned Weeks. In order to provide you with maximum flexibility, a Rental Program is offered. Participation in this program is optional. By participating in the Rental Program, you will also be eligible to participate in the Exchange Program. This enables you to deposit your Planned Time weeks to travel to destinations throughout the Club Intrawest and Resort to Resort networks.

Q. Can I use my time to visit other Club Intrawest locations?

- A. Yes - provided you participate in the voluntary, optional Rental Program, you will have the opportunity to deposit your Planned Time for vacations at other Club Intrawest and Resort to Resort locations.

Q. Can my family or friends stay at The Villas?

- A. As is true with any second home, you may allow unaccompanied friends and family members to use your Planned Time, provided that they are over the age of majority, that appropriate advance notice is provided, and that they do not pay for the use. To ensure maximum flexibility for Owners in reserving desired Space Available time, only Owners and pre-specified Designated Users may use Space Available.

Q. Will I pay daily charges to use The Villas?

- A. Personal charges such as long distance telephone, spa treatments, etcetera will be due at the end of your stay. Housekeeping fees will be paid by Owners for each Planned Time and Space Available stay. You will have an option of choosing a Minimum Cleaning Service or a Daily Cleaning Service.

Q. What do my Association dues include?

- A. Association dues pay for the professional management and operation of The Villas, amenities, services and common areas. Included in these annual dues are funds for salaries, supplies, maintenance, window washing, trash removal, legal/accounting, insurance, utilities, property taxes, transportation, and reserves for replacement and/or refurbishing of facilities. Annual budgets are submitted by the Property Manager to the Owners Association governing board for approval and are assessed equitably to each Owner based upon the respective number of interests owned. Dues are paid on a quarterly basis.