

Commonly asked questions about condominium ownership at Superior Shores Resort

Q: How long do I own the condominium?

A: Until you wish to sell.

Q: How many weeks per year do I get to use the Lakehome in the interval ownership program?

A: Each one-eighth interval owner receives six or seven weeks every year.

Q: Do I have to use the entire week?

A: No, you may use all, some, or none of your available days.

Q: What are my options if I am not using my week or all days within the week?

A: You can send friends or family to use your unit, allow Blue Waters to rent your unit, deposit your week with RCI or trade your week with another owner.

Q: How much of the nightly rate does an owner receive when renting the unit?

A: 50%.

Q: Does the unit cash flow and will I be able to cover operating expenses?

A: Blue Waters cannot guarantee future rental income. The length of time the unit is made available for rental purposes and the time of the year and days of the week affects rentals. Rental histories are available on all units in the rental program.

Q: What does Blue Waters provide for their 50% rental management fee?

A: Quality management services including a knowledgeable reservation staff to assist customers with rental questions, laundry services, maintenance and housekeeping staff to keep the units cleaned and serviced for both owners and guests and on site management. Blue Waters pays all credit card fees and provides a monthly management report listing revenue and expense information for the previous rental period. Blue Waters also invests in a marketing campaign on an annual basis.

Q: Are there any other charges associated with ownership?

A: Yes, an owner pays a cleaning fee if occupying the unit themselves or when sending guests. Owners are responsible for maintenance and housekeeping charges and any assessments levied by the Homeowner's Association. Replacement costs are also the responsibility of an owner.

Q: Who decides when items need to be replaced?

A: In most cases, the unit owner(s). If the unit is in the rental program, the quality control committee may require improvements. The Management Company can also decide if an improvement is warranted for safety reasons (i.e. broken window or deck railing, faulty toaster or coffee maker.)

Q: Who is the quality control committee?

A: The quality control committee is made up of unit owners who conduct inspections throughout the year. If the committee determines that a major item (\$500 or greater) needs to be replaced, they will notify the unit owner that the item should be replaced within a specified period of time.

Q: Who decides on carpeting and furnishing styles in the interval ownership program?

A: The Unit's fractional coordinator.

Q: What about smaller items – dishes, glasses, toaster, coffee maker?

A: Blue Waters has an inventory of replacement items that are available for replacement when needed.

Q: What if owners in the shared ownership program want to make a change within the unit that is not recommended by the Quality Control Committee (i.e. adding a new window or fireplace)?

A: If a majority of the owners (5 of 8) agree to the change in accordance with the declaration, the fractional coordinator will make arrangements for the project.

Q: What if another unit owner in the shared ownership program falls behind in his/her payments? Am I responsible?

A: No, if an owner falls 60 days or more behind in payments for operating expenses, their weeks would be released and made available for rental. The fractional coordinator would retain the rental revenue until the owner is current with payments.

Q: What if a rental guest maliciously damages the unit?

A: A credit card imprint is required of all rental guests. If damage is done within a unit, the Rental Management Company will take all available measures to recover damages from the guest. If damage is unrecoverable, the Rental Management Company will forfeit its management fee for the rental in question. Damages would be assumed by the individual unit owner(s) and an insurance claim would be filed.

Q: Does rental damage occur frequently?

A: Normal wear and tear can be expected over time. Malicious damage is quite rare, maybe one occasion every year.

Q: Would I be able to bring a pet into the unit?

A: In most units, Owners may bring a pet. If the pet does any damage, during a period of owner occupancy, the owner would be responsible for any and all damages. Units in the shared ownership program are rented as non-smoking and non-pet or smoking and pets allowed – depending upon the specific unit.

Q: How long has Blue Waters been managing Superior Shores?

A: Blue Waters has had a management role since May of 1994.

Q: Does Blue Waters own any units at the resort?

A: Yes, Blue Waters has ownership of several Lakehomes, Lodge Condominiums, and is the developer of the Burlington Bay Lakehomes.

Q: How can we be sure that units are rented equally?

A: Superior Shores uses Resort Data Processing Software, specifically designed for condominium ownership resorts. The software pulls up the next unit that should be rented to equalize rentals. A rental rotation report is prepared twice annually. This report shows rental activity and how alike units compare in rental nights, owner nights and rental revenue.

Q: What if a guest specifically requests a unit by number?

A: We will honor that guest's request. This happens fairly often and unit owners, who have gone above and beyond quality committee's standards, tend to receive more specific requests for their unit from rental guests.

Q: Who sets the rental rates for the resort?

A: Blue Waters sets rates for all units on the property and bases rates on size and amenities within units. Rates are compared with other alike resorts along the North Shore.

Q: Are discounts offered?

A: Yes, we offer weekly rates, midweek packages, corporate, group and senior rates. We also promote in-house discounts to maximize rentals during historic "slow periods."

Q: Who do I contact to release available time or make personal reservations?

A: You contact the fractional coordinator directly by phone, fax or e-mail. In the shared ownership program, weeks are assigned and it is up to the owner to release dates for rental. Dates will be placed into the rental pool once you notify your Rental Agent. For units in the full ownership program, units are assumed available for rental year round. It is up to the owner to reserve personal stays.

Q: How far in advance should I release dates for rental or make personal reservations?

A: The sooner the better. If you release your unit for rental three months in advance, you will have a much greater chance of receiving rental activity than if the unit is released just days before your scheduled week. Owners, who own units outright, should make reservations a year in advance for holiday periods as many guests reserve the same unit year after year. Owners can always call the resort to check on their unit's availability.

Q: If I release days for rental and they are not rented can I still use the unit?

A: Yes, you can always reclaim un-rented days.

Q: How are expenses allocated?

A: In the shared ownership program each owner pays a 1/8 share of all operating expenses including taxes, association dues, cable, telephone, insurance, and management fees. The fractional coordinator receives payment from all unit owners and pays bills accordingly. Owners are responsible for all operating expenses in units that are owned outright.

Q: Is rental revenue shared among other interval owners?

A: Rental revenue is not shared. It goes directly to the unit owner who released days that we have rented for them.

Q: In the shared ownership program, who casts the vote for the Unit at the annual owners meeting?

A: A voting member will be appointed to act in behalf of the unit on an annual basis.

Q: Am I required to rent a certain number of days each year?

A: No, you may rent as often as you wish or not at all.

Q: How often will I receive a statement?

A: All owners receive a monthly statement.

Q: What is the difference between the rental management fee and administrative fee?

A: The rental management fee is charged to all interval ownership units for expenses incurred in the operation of the rental program. The administrative fee is charged only to units in the interval ownership program to cover employee time, postage, and office supplies for the coordination of the eight owners within the unit.

Q: If I purchased a share, how would I know the other owners in the unit?

A: An owner's directory is available to all owners.

Q: Who typically purchases units at the resort?

A: People from all walks of life - doctors, teachers, businessmen and women, attorneys. Most of our owners have been rental guests at the resort in the past. You have probably seen them in the restaurant, pool, and in the lobby.

Q: If I am interested in pursuing ownership, what is the next step?

A: The next step would be making an offer on the unit or interval that you wish to own. An earnest money deposit is required along with a signed purchase agreement; stating offering price, terms and closing date.

Q: What happens after an offer is made?

A: The offer will be presented to the seller. At this time, buyers will receive a disclosure certificate of the Association, including the declaration for the condominium, articles of incorporation, by-laws, financial and insurance information.

Q: What if I decide against purchasing after an offer has been presented to the seller?

A: A buyer has a ten day right of rescission after receiving a copy of the Association's disclosure certificate and related documents. If an offer is rescinded within ten days of receipt of documents, the offer is null and void and earnest money is returned to buyer. After ten days the contract is legally binding, unless additional terms are listed in the purchase agreement.

Q: Would I need to be present at closing?

A: No. Funds would need to be received by the closing agent at the scheduled date of closing for disbursement. Signatures on the deed and related documents can be obtained through the mail.