



# TOUCHSTONE

ON LAKE MUSKOKA

## FRACTIONAL OWNERSHIP Q & A

### **What is fractional ownership?**

Fractional ownership is an exciting and fast-growing concept in resort home ownership. It originated in the United States in 1996 where it has grown from \$160 million in sales to \$2.5 billion in 2008. Think of it as you and a group of friends buying a cottage together. Each of you has the ways and means to own a cottage but you don't have the time to use it as much as you would like. And you especially don't have time to deal with opening up, closing down, getting the boat in the water, cleaning the eaves troughs, fixing the deck....

The concept of purchasing only what you need, or will use, is perfect for vacation homes. At Touchstone, you'll own the share of your cottage or villa as well as a portion of the property's 30 acres, pools, outstanding amenities and boathouse. All of this, without any of the hassles normally associated with owning and maintaining a vacation home. The home is professionally managed and maintained for you by the Resort Operator.

### **Is Fractional Ownership like Time Share?**

Technically yes, but unlike Time Share, where owners may not obtain title to their unit, purchase of a fractional interest in a Touchstone residence is evidenced by a deeded interest which the owner purchases and sells just like any other piece of real estate. That deeded interest will show all of the owners of the full unit that you have purchased.

### **How many fractions will each Touchstone vacation home be divided into?**

Each home is divided into four 13-week quarter fractions.

### **May I purchase more than one fractional interest in my residence?**

Absolutely, you may purchase as many fractions as you think fit your lifestyle.

### **If I purchase more than one fraction, may I sell some but not all of my fractions at a future date? Alternatively, may I purchase more fractions later?**

Yes. The beauty of fractional ownership is the flexibility it provides.

### **Do I purchase an interest in one Touchstone vacation home or will my vacation home vary from visit to visit?**

You purchase a fractional interest in one specific vacation home and are transferred a deeded interest in that specific residence.

**How is the use of each vacation home allocated?**

Each quarter fraction is allocated 13 weeks per year. The peak months of July and August are divided into four two-week fractions. Each fraction purchased represents one of these two-week periods.

Each year the owner of that fraction gets the exclusive use of their vacation home for that two-week period, plus one additional week in the summer months for the rest of the year, plus one long weekend week every other year (i.e. one of Victoria Day, Thanksgiving, Christmas or New Years).

That way each year you can enjoy the weeks of the summer you most prefer, long weekends/holiday weeks, and one additional week in every month between September and June.

**How often can I use my resort home within the fraction I purchase?**

You may use your resort home as often as you wish, without restriction, during the periods you are designated.

**What are the benefits of fractional ownership?**

With fractional ownership, you own an exclusive vacation property. You are buying your vacation home in partnership with others who share the cost with you. At the same time, you have an interest in the property. You can sell your property at any time, at any price, bequeath your interest to your heirs, rent it, allow friends to use it and invite guests to share it.

Fractional ownership is luxury maintenance-free living at a fraction of the cost of owning or renting a "traditional" cottage. It matches your investment to the amount you actually want to use your vacation property.

**Why should I buy a fractional interest?**

Despite their best intentions, many people recognize that they are just not able to use their Muskoka cottage as much as they would like. For many, two fractions or two consecutive weeks in the peak months of July and August plus one week in every other month is as much as they are able to use their cottage. With a fractional interest you are able to match your investment with the quality and level of luxury you want for the time you actually plan to use your vacation home.

**What if I don't know the other owners?**

Few people know the other owners before they purchase. There are rules, bylaws and management services that keep the property running smoothly. There is no overlap in calendar dates and no need to interact socially if you do not wish to. However, there will be an annual meeting and through joint ownership, long-term friendships often form.