



RIVERSIDE

AT RIO GRANDE CLUB

What is fractional ownership?

Fractional Ownership, or Shared Ownership, is a rapidly growing alternative to Whole Ownership in real estate, designed so that each Owner is deeded a specific interest (fraction) of a specific residence. Fractional ownership is deeded property with the same rights as any other real estate purchase. Each Owner owns a percentage of the property and is shown on the title and deed as an Owner. It works very well for the family or individual that wants a vacation home, but does not want to pay the full cost of a second home they will use only a few weeks per year.

How is fractional ownership different than timeshare ownership?

The difference between timeshares and fractional ownership is the extent of ownership and control given the users of the property. Old-fashioned timeshares typically do not involve direct ownership of real estate, meaning that the users of the property do not actually own or control it. Fractional ownership involves direct ownership, meaning that each user has a deeded interest, and this means greater Owner control. For example, a fraction can be mortgaged, sold, rented, or even willed to a friend or family member. Also, fractional deeded ownership in real estate historically has the same appreciation rate as whole ownership, whereas timeshares currently resell for an average of 50% of their initial cost.

Why should I choose fractional ownership?

Although everyone dreams of owning a second home/vacation property, most can't afford the type of property they want, or they realize that they would not use the second home enough to justify the added expense. Fractional ownership provides a solution to these problems by allowing the purchaser to pay only a fraction of the costs and ongoing expenses of a second home. Also, due to the amount of time available to a fractional Owner, there is less of a need to keep a unit constantly rented as compared with whole ownership. To summarize, a fractional purchaser has a lower purchase price, lower operating costs, and a lower need for rental tenants. All of this adds up to an Owner that can afford to enjoy a luxury fractional project such as the Riverside at Rio Grande Club. Unlike whole ownership, fractional ownership allows the Owner to spend more time enjoying their vacation home, and less time managing and maintaining their property.

How much usage do I own each year?

Fractional ownership at Riverside is evidenced by a real estate deed specifying two-fixed weeks, two rotating weeks, and one floating week. The Use Plan has been designed to give Owners an ideal mix of predictability and flexibility. Owners identify the fixed -weeks best suited to their interests and lifestyle, but still have flexibility of a floating week that allows families to respond to life's changing needs and desires. Owners also have the option to enjoy "Come on a Whim" vacation time at Riverside on a space available basis, as specified in the Rules and Regulations.

Can I take title as an LLC or Corporation?

Yes, title may be taken by only one, single entity for each deeded fractional ownership. This includes individual ownership, LLC's, partnerships, etc. A single fractional interest cannot be legally divided into less than five weeks, which is a one-tenth interest.

Can my family and friends use my home during my deeded usage without the Owner being there?

Yes, Owners are welcome to invite family, friends and guests. Guests can use the home without the Owners being present, but are required to follow any rules and regulations and are liable for any of their actions.

Is there storage for my belongings?

Yes, each Owner has a secured, storage bin to keep personal items at the property all year long.

How is the Golf Membership handled?

Through a special provision of the Rio Grande Club membership guidelines, the Fractional Owners at Riverside at Rio Grande Club will be treated as individual members even though their monthly membership dues will be divided equally among the other Owners. Each Owner will be able to establish a separate charge account at the Rio Grande Club.

Are pets allowed?

No, in consideration of other Owners and/or guests who may have health issues, pets are not allowed. If there is sufficient demand, some units may be designated 'pet-friendly' based on a unanimous vote of all Owners in that specific unit.

Is smoking allowed?

No, smoking inside the unit is not allowed out of consideration of other Owners that may not smoke.

Can I rent out a portion of my 5 weeks?

Yes, fixed weeks may be rented out through the Property Manager in accordance with the Riverside at Rio Grande Club Rules and Regulations.

Can I trade a portion of my 5 weeks with another Owner?

Yes, you will have the opportunity to trade out weeks you can't use for weeks you would prefer with other Owners. We will have a website available for postings of available units.

How often can Owners stay at Riverside at Rio Grande Club?

Beyond the weeks during which Owners are entitled to occupy their residence, they are also invited to stay at Riverside at Rio Grande Club on a first-come, first-served basis when residences are available.

Who handles the Property Management?

There will be full-time, professional Property Management onsite to coordinate Owners Services, Reservations Activities and Rental Operations.

Are there any HOA dues for the fractional units?

Each Owner will be responsible for their share of the Riverside Fractional Owners Association (RFOA) dues. These dues will be used for the payment of property taxes, hazard insurance, utilities, housekeeping, administration, etc. These dues will also include the maintenance and replacement costs for all interior furniture, furnishings and equipment. The Riverside FOA dues will be approximately \$325 per month which includes Rio Grande Club membership. The dues will be billed annually in January. The Riverside FOA dues will incorporate any HOA dues for the River Club HOA (exterior maintenance, landscaping, etc.) and South Fork Ranches Master HOA (road maintenance, snowplowing, etc.)

How are reserves handled for future repairs?

Reserves are collected as part of the annual dues and utilized as required for major repairs such as carpet replacement, repainting, etc. A complete budget and summary of expenses will be provided to each Owner on an annual basis.

Will there be a board of directors, and if so, how will the future changes to the HOA be handled?

One of the ten Owners of each unit may become a member of the Riverside FOA board and have the opportunity to play a role in the management and future decision making of Riverside.

Can I sell my fractional interest, should I choose to in the future?

Because you have a deeded interest in your property, you can sell your fractional interest similar to other residential or vacation properties. Fractional ownership is not new to the vacation home industry, but is fairly new to the Southern Colorado area. Interest in this form of ownership is growing rapidly.