



## **The Top 25 Questions to Ask Before Buying Fractional Ownership Property**

FractionalLife.com has compiled this list of 25 questions to ask your developer when considering the purchase of Fractional Ownership Property. This is NOT an endorsement by FractionalLife.com or its publishers. It is provided for your convenience.

### **Is the property offered a “deeded property”?**

Yes – both the master property and the individual Villa lots are or will be deeded. Villa I is finished and ready for occupancy. It takes approximately 30 days for the deed / title to be issued by the National Registry once the corporation is formed. The master property title number is available at this time.

### **What percentage of fraction is being offered?**

Thirty-one total shares are being offered. Each share amounts to one thirty-first (1/31) of the total number of shares. SDIG, the developer will hold four shares in each corporation initially to allow flexible scheduling. A 1/31 share grants each owner 10 full days of occupancy in the Villa.

### **Are the weeks fixed or flexible?**

At this time they are fixed on a set schedule, however once a Villa is sold out (27 shares) the owners after the first year can / may decide to change this policy. (Please note: approximately 7 weeks have been removed from the schedule during the rainiest part of the year – these weeks are available but will require a consent form signed by both the shareholder and a corporate officer to use this time)

### **Is the building completed yet?**

Yes, Villa 1 and the pool are complete. The only major appliance to still be purchased and installed is a commercial ice maker. The refrigerator has an ice maker.

### **What percentages of units have been sold to date?**

Four shares are sold (the partners of SDIG). We are a brand new fractional development and we wanted to have Villa I and the pool area finished and ready for occupancy before we launched a full marketing campaign.

### **How many price increases has the development had over time?**

None. Right now a 1/31 share is \$38,900.00 USD. We will not increase the prices on Villa 1 until a minimum of 15 shares are sold. We anticipate Villa II shares to be approximately 20-30% higher due to rising material and labor costs. Villa II hopefully will begin in 2012.

### **Exactly what does ownership include?**

Ownership means you own one or more shares in Villa 1 at this time with 10 days of access to the Villa per share. You have the ability to rent unused or unwanted time. The

Villa is fully furnished. We have worked out partnerships in the area for numerous activities. We also hope to have a discounted rental car program in place in 2011-2012. You have access to the entire grounds including the pool and cabana area and the fruit orchards.

**May I see a printed list of the fees you charge?**

Yes. We anticipate annual fees to be between \$750.00 USD and \$840.00 USD per year. This includes all legal and accounting fees, property taxes, utilities, maid service, gardener, pool maintenance, property insurance and a reserve fund for the replacement of household items.

**If finance is required, how do you recommend I finance the purchase?**

We would not suggest financing for you to participate in this project. The only practical way to purchase at Punta Dakota is with the cash on hand, a 401K investment, or an equity loan on property you currently own.

**How long has the company been operational?**

SDIG, the developer has been in existence approximately 36 months. Feel the Breeze – the corporation that holds the master title has been in existence approximately 24 months. The business partners in SDIG however, are all successful business persons from South Dakota with over 100 years combined successful business and property investment experience. They own a myriad of businesses, all providing valuable experience.

**Do you mind providing the contact details of some customers who have purchased fractional interests in your properties recently?**

We would hope that anyone and everyone investing in Punta Dakota and for that matter have even visited the property and the surrounding area would gladly be a reference not only to the quality of the property and construction but for the experience you only have in beautiful Costa Rica. The partners of SDIG would be a happy to meet or discuss via phone or e-mail the project at any time.

**Can I test the reservation process and visit the property with the club's portfolio before joining?**

Absolutely! Our rental calendar is already on line at [www.puntadakota.com](http://www.puntadakota.com) . Under rentals it will take you to: <http://beta.availabilityonline.com/availtable.php?un=johnrCR> where you can view and make reservations to the calendar. Once you are an owner you will provided with a secure login and password where you can also use the calendar as well as submit requests for services, submit work orders or conduct general business with the other owners. Please note that the secure ownership login is not active at this time but the SSL Security Certificate is in place.

**If I decide to purchase a fractional share in the property, can I change my mind, and if so by when?**

Should you change your mind there are procedures in the contract regarding refunds, however if you do use your time, the only resolution is to sell your share.

**What is the process if I wish to sell my fraction in the property at any time in the future?**

Essentially if you wish to sell you can. The other owners have right of first refusal. Should they choose not to purchase your share you are allowed to sell it (at the determined market value) to anyone you would like. Remember, you are selling a share in a California MBC and would be subject to capital gains taxes (if they apply).

**How does one book for popular holiday periods e.g. School holidays, and what booking system is in place eg. First come, first served and is there any priority amongst owners?**

There are set 10 day periods of time to choose from and the blocks of time initially are set in order of purchase and then rotate on a yearly basis. If a holiday period is available and it is your turn to book your block of time you may choose it.

**What additional services does fractional ownership cover (e.g. Concierge, car rental, airport pickup / drop off) and are there any extra costs?**

At this time the only additional fees are those outlined by the HOA agreement and covered above in the **Printed Fees** section above. There are NO additional services at this time. However as each corporation is finalized they (YOU) may choose to add additional services which would be shared by the group. For example there have been discussions about having golf carts and jet skis available to the owners; however this would require additional resources.

**Are there any additional fees or charges applicable in addition to the fractional property purchase?**

There will be a \$700.00 - \$800.00 closing fee for the California MBC share. However we would expect and highly suggest that you have your legal and financial advisor review all documents should you have any questions. Our legal and accounting team would also welcome any questions you might have regarding these documents.

**Does the company have plans to raise prices – if so, when and by what rate and what factors would influence such price increases in the future?**

As far as the share purchase no – on Villa I. The only thing we anticipate any price increases on are the HOA fees. Like everywhere else in world, Costa Rica does raise utility prices as well as occasional property tax increases.

**Are the photos and floor plans available for the properties and are their any ownership rules – e.g. Pets and is smoking allowed?**

Photos are on the web site and floor plans are available. The ownership rules fall into two forms. Because we have multiple dwellings with multiple owners the property falls under what is called the Horizontal Condominium Laws of Costa Rica. A full set of these rules are available in the purchase documents and they are the same for every development in Costa Rica that meet the criteria outlined above. Once the Home Owners Association is formed they can add additional rules as long as they do not conflict with any current HCL laws on the books in Costa Rica.

We have set a preliminary set of rules for Villa 1. Currently there is no smoking allowed in the Villa itself, however you can smoke outdoors anywhere on the property, we just would like you to dispose of your butts. Pets are currently allowed.

Please keep in mind that the owners, once their board of directors are formed can vote on additional rules, amend rules or strike rules (Villa rules – not HOA rules) as they vote to deem fit.

**How are the properties furnished (what sort of style or décor, fixtures and fittings, ect..)?**

The Villa is completely furnished. The appliances are all new and state of the art stainless appliances. Each bedroom has mini-split air conditioning as well as ceiling fans. Many of the furniture items have been hand built out of sustainable, native, Costa Rica hardwood. There is security, satellite television, internet access, land line phone and fax services. The kitchen is fully equipped for up to eight guests. The veranda's and pool area are equipped with outdoor furniture and a BBQ. We have tried to choose soothing interior colors, window coverings that provide both light and privacy and a native Costa Rica feel to all of the accents, tile, cabinetry and countertops through out the Villa. Each room is tastefully decorated with one of a kind original artwork and when available from the grounds, vases with flowers will be in appropriate areas.

**What other amenities can I expect at the property – e.g. Access to vehicles, golf cart, and professional access (where applicable)?**

Some of these have been outlined above. We hope to have access to rental cars (discounted of course) for our guests both at the airport and at the property. There have been discussions of adding a golf cart to the Villa. The area is still fairly remote. There are golf courses (public) and of course we can arrange practically any activity you would wish to do during your stay.

We already have access (you have to pay) to saltwater fishing, horseback riding, surf lessons, mountain hiking, waterfall tours, zip lines, golf and kayaking. We will continue to add activities as we move along and the area gets more developed.

**What is the average amount of days a member currently uses for the plan I'm considering and can you rollover any unused days to the following year?**

Since we are new we don't have a history yet. We are anticipating each owner using the property for at least 10 days and we assume they will try to rent the remainder of their time to other owners, family members, and friends or to rental customers if they cannot use their time. Currently roll over time is not offered.

**Does Punta Dakota partner with travel agencies, jet, and yacht services or have access to any other assets?**

No we do not. We do however plan on joining a Fractional Ownership Share site that would allow owners to "swap" time with other Fractional Owners all over the world.

**Who owns the properties at present and what happens if the property company fails?**

Currently the master property is owned by SDIG and the property is completely paid for and debt free. The property holds all the permits for utilities, water and construction. Now that Villa I is complete our Costa Rica legal team is in the process of having the title issued for the subdivided lot – then the “company” owns the individual Villa (this will be a Costa Rica corporation owned by a California MBC – Mutual Benefit Corporation). As responsible owners and share holders in the corporation, it is up to the owners to ensure their piece of paradise does not fail.

**What do you believe are the strengths and weaknesses of the company and property available and why should I ultimately buy this one in comparison to the choices available?**

**Strengths**

- Quiet Remote Region of Costa Rica
- Beautiful NEW Luxury Villa 4 bedroom / 4 ½ Bathrooms
- Tropical Landscaping with over 400 Fruit Trees
- Infinity Edge Pool with Kiddy Area and Bubbler
- Over 15 Miles of Remote Beaches within Minutes by Walking or Driving
- Land is 100% Debt Free
- Developers With Over 100 Years Combined Successful Business Experience
- Family Oriented Vacation Experience
- Strong North American and Costa Rica Legal and Accounting Expertise
- Built in Corporate Safe Guards in Both the United States and Costa Rica
- Villa 1 and the pool are finished and ready for occupancy.
- First Fractional Ownership Development with Completed Villa, Pool and Infrastructure in Costa Rica (to our knowledge outside of the Four Seasons)
- Numerous local restaurants in the immediate area

**Weaknesses**

- No Residential or Fractional Development Experience
- Remote Area Means Extra Travel Time

Questions?

Contact John Richards at [johnr@puntadakota.com](mailto:johnr@puntadakota.com) or 612-805-1777 or 1-855-932-5682 (1-855-9DAKOTA) toll free. Please visit [www.puntadakota.com](http://www.puntadakota.com) for more information.