

FREQUENTLY ASKED QUESTIONS FOR FRACTIONAL OWNERSHIP

Who determines the initial rotational schedule?

The initial rotation is determined on a first come, first serve basis. Since it is a rotational schedule, each 1/8th* owner will be able to experience all the seasons at Izatys. The rotation returns to your original week every 8 years. Also, once every 8 years, the last week of your year and the first week of the next year are consecutive. This means that you'll have 2 weeks in a row, at the end of the year, once every 8 years.

What happens if we outgrow our unit and want to upgrade to Lakeside or a larger unit?

Each new fractional, prior to being marketed publicly, will be offered to existing fractional owners. Existing fractional owners will receive first choice to purchase new fractional units prior to the unit being offered to the general public. If within 3 years from the date of purchase of your original unit you decide you'd like to upgrade to lakeside or larger unit, you must execute a purchase agreement within 90 days of the initial private offering. Mille Lacs South Shore Development Corp., L.L.C. will purchase back your 1/8th* interest at the original purchase price. Upgrading will depend on available fractional inventory

What if we want to sell?

Mille Lacs South Shore Development Corporation L.L.C. has 1st right of refusal on any re-sales. This means they have the option to purchase back your 1/8th*, should you decide to sell, at the original price. The 1st right of refusal is the developer's way of regulating resale prices. By regulating the prices and not allowing re-sales lower than the current market price it keeps prices appreciating. If they opt not to purchase back your 1/8th*, you may then sell your 1/8th* ownership by owner or through a real estate agent.

What kind of financing do you recommend I use for our purchase?

The most popular way for financing fractional ownership is taking out a home equity loan. Interest is tax deductible and you are more likely to qualify for a lower interest rate comparable to your home mortgage. Woodlands Bank, a local bank located in Onamia, may possibly be available for financing. We can also direct you to mortgage lenders that may be able to assist you with financing. Cash payment is also an option.

What about Real Estate Taxes?

Real estate taxes are paid by the management company thru monies in the unit's escrow account.

What if someone defaults on their portion of the Real Estate Taxes?

The management company will pay the dollar amount owed and charge the defaulted amount to the delinquent owner. The delinquent owner will not be allowed access to the unit until paid.

What if the all 1/8th's* are not sold out, am I responsible for the remaining balance due towards taxes?

Again, the management company will cover all tax liabilities and association dues for any unsold 1/8th* portions.

What happens when the 20 year golf membership for two expires?

Golf course ownership may be offered to interested parties for an assessed value to be determined or renewal of a long term golf membership will be offered at a discounted rate yet to be determined.

How is it decided upon to replace things in the unit?

Each unit's eight 1/8th* Owners will form an association. Each association must vote to change, add or replace anything associated with the unit. A replacement escrow fund is in place to fund these situations.

Replacing the Ranger Boat?

All eight 1/8th owners must vote to decide when to replace it. Ranger Boats have agreed to replace the boat every 3 years for \$5,000.00**. Replacement escrow is part of the monthly association dues and the money collected may be used towards purchasing a new boat.

** Ranger Boat upgrade offer must correlate with Ranger's new model year.

Replacing the Golf Cart?

The golf cart should last 6-10 years with out a problem. All eight 1/8th* Owners must vote to decide when to replace it.

Replacing Furniture and/or other items?

Similar to the above mentioned items, anything needed to be changed, replaced or added would need to be voted on by the association. If within 4 years, the association votes to replace the couch, a majority vote would decide if it would happen.

What happens if Izatys Resort is sold?

All amenities will be titled to your association's L.L.C. so they are yours once the purchase is executed. In regards to golf memberships, any new purchasers of the resort would be required by contract to assume all golf contracts. In the event of the sale of the golf course, it is normal for the ownership to discount the appraised or purchase price accordingly for the new buyers to assume paid memberships.

What happens if Izatys Resort goes bankrupt?

All amenities such as boat, cart, boat slip and real estate will be titled to your association and you'll have no chance of losing them in the event of a bankruptcy.

Izatys Resort has little debt in comparison to the appraised value. The chance of bankruptcy is very limited. In the event of a bankruptcy, assets are liquidated and paid out to those deemed deserving by a bankruptcy Judge. We are sure in the unlikely event of this situation happening, the Judge would award each fractional owner their unused golf memberships.

* 1/8th ownership is actually 6/52nd or 6 ownership weeks a year.