

FREQUENTLY ASKED QUESTIONS



Casa 870 Puerto Las Hadas ~ Manzanillo (Colima) From \$24,900. * Fractional Ownership Share *

You have asked about becoming a co-owner of our oceanfront property along the coast of sunny Mexico. Colima, known for its year round temperate climate, pristine beaches, and 350 days of sunshine, has a number of connecting flights from the US, Canada and overseas.

This central coastal area of Mexico just 3 1/2 hours south of Puerto Vallarta is known as the Mexican Riviera due to its miles upon miles of palm trees and golden beaches. There are several internet sites you may want to visit to learn more about Colima, and Manzanillo in particular. Colima has the lowest crime rate (1%) in Mexico and the highest average wages. The best two are www.mexperience.com and www.gomanzanillo.com.

Some of you have heard reports of drug and border violence (as we had) and may wonder what the true scenario is in vacation spots like Manzanillo. Susan Dearing, longtime Manzanillo resident and author says the following about safety:

*“Quit worrying about your safety just because newspapers headlines, or some government agency issued a travel advisory. The bureaucrat sitting in a high rise office in Washington, D.C. and passing judgment on an entire country has most likely never visited Manzanillo, and certainly has never traveled the country as extensively as I have! That would be like telling tourists not to take their kids to Disneyland because there was a drive-by shooting in East LA! Please! Manzanillo isn't Mexico City, nor is it Los Angeles, New York, Detroit or Toronto. **Every city in the world has its plusses and minuses, but Manzanillo is, for all practical purposes, one of the safest and most friendly places on earth.**”*



Santiago and Manzanilla Bays

It is quite simple for any nationality to own a part of our property and I believe that most of your questions may be answered below:

What is a property share (Fractional Ownership) and how do I become a part of it?

Like many other international travelers, we loved the idea of having one or two “homes” abroad where we could know our neighbors and the local culture, but we found it impractical and expensive to own and maintain a home we generally used for a month or so each year.

This is a unique opportunity to purchase Mexican property / real estate without a large outlay of capital. As an exclusive member (shareholder) of Casa 870 PLH you literally own a percentage share of the condo. The Notario in Manzanillo established a bank trust (Fideicomiso) which owns Casa 870 Puerto Las Hadas, Manzanillo . Your name would be added to that bank trust.

How is this different from a time share?

It is completely different. You own your percentage of the property outright and can easily sell or donate your time to another as well as participate in the appreciation of the property. You typically have the use of 4 or more weeks per year. With a time share you do not "own" your property or participate in any appreciation of it. Also you are restricted to specific dates which you can use within certain locations in a fixed number of years.

Why do we use a Mexican Notario?

When we first envisioned the creation a home share in Manzanillo, we sought legal advice in order to be governed by mexican inheritance laws. Our condo Partnerships are member-formed which allow the Partners to own and manage real estate in accordance with the conditions of the Operating Agreement.

What is an Operating Agreement?

The Operating Agreement sets out the rights, obligations and duties regarding Condo 870 PLH and its assets. An agreement typically includes: Definitions, Formation, Members and Membership Interests, Management, Budgets and Accounts, Meetings, Member Use Rights, Accounting and Records, Transfer of Interest, Distributions, Withdrawal and Dissolution, Indemnification, and Amendments.

What kind of agreement is there between the owners? Is there a management company? What are the expenses associated with management?

We have an operating agreement. This document can be sent electronically for your review. It outlines the rights and responsibilities of co-ownership and must be signed as part of the buying process.

Currently, we have an inside manager role which is a requirement of Casa 870 PLH. Typically this manager does not pay dues but does coordinate the annual meeting, distribute financials, assure that annual dues are paid and liaise with our property management agent in Mexico.

How does each Partnership reserve time at the house?

As an owner, you will purchase a four week block of time (28 Days) which will remain yours in perpetuity. You can trade weeks of time with other owners of Casa 870 PLH.

****What do the 4 week shares cost?**

High season shares

Oct 26	-	Nov 23 rd	\$29,900
Nov 23	-	Dec 21 st	\$34,900
Dec 21	-	Jan 18 th	\$39,900
Jan 18	-	Feb 16 th	\$34,900 (Reserved)
Feb 16	-	March 16 th	\$29,900
March 16	-	April 13 th	\$29,900
April 13	-	May 11 th	\$29,900

Mid season shares

May 11	-	June 8 th	\$24,900
June 8	-	July 6 th	\$24,900
July 6	-	Aug 3 rd	\$24,900

Low season shares-

Aug 3	-	Aug 31 st	\$24,900
Aug 31	-	Sept 28 th	\$24,900
Sept 28	-	Oct 26 th	\$24,900

What annual expenses might I expect as a shareholder?

Expenses will include homeowners insurance, taxes (property taxes), strata fees, bank trust fees, and routine utilities and maintenance, property management. These costs are "estimated" to be \$650 US/ year per owner annually for each 4 weeks owned. From time to time, capital improvements to the condo are required. The beauty of a condo share is that all condo costs are divided by the number of shares in the agreement.

Are the annual meetings typically in the States / Canada? How do you accommodate those of us who live a great distance from the States/Canada?

Our annual meetings will be held via Conference Call / Skype / Email.

Is there a caretaker who oversees cleaning and assesses the condition of the condo?

Yes, we have an established caretaker who is responsible for cleaning and laundry after each visitor. All damages to the property or complaints from building occupants are communicated to our manager. Each member (or their guests) is personally responsible for leaving the home share in the same condition they found it.

Can we rent out our time?

Our Operating Agreement will allow for limited commercial rentals. We do, however, have the option of occasionally allowing friends and family to use our time and pay our operating expenses so long as each guest has read, signed, and will abide by the house rules instructions.

Is there a resale market?

Yes, there is a resale market. Real estate in Manzanillo has increased at a greater annual rate than most of Mexico. Estimates exceed 25% a year. This condo has appreciated \$120K in the last two years.

So what's next?

1. Learn whether a shared home in Mexico is right for you.
2. Take a look at the Operating Agreement which describes the rights and responsibilities of joint ownership in Casa 870, Puerto Las Hadas, Manzanillo.
3. Ask about the ease of resale
4. Decide to either travel to visit the property or view it by seeing our photos.
5. Call us to get acquainted: 250 304 5063 Dennis or Dianne Groshaw