

Fractional Ownerships VERSUS Timeshare

The main difference between **fractional ownership** and a timeshare is in the way actual equity is distributed. In a fractional ownership arrangement, the purchaser actual owns a piece of equity in the property. If the property goes up in value, the fractional owner's share of the pie also becomes more valuable. With a timeshare, ownership is not distributed. The owner purchases only weeks or months of enjoyment in a property, and these weeks or months do not rise and fall in value with the value of the property. The title is still owned by the principal owner.

Benefits of Fractional Ownership

Fractional ownership allows an individual to take part of a valuable asset without putting up the cash to purchase the whole asset outright. This is very similar to owning stock in a corporation. In fact, fractional ownership can apply to assets other than real estate. In the case of real estate, fractional ownership allows multiple buyers to grab part of a property title. If the property declines in value, the owner can sell the asset and write off the capital loss. If it increases, the owner can sell the share and receive capital gains.

Pirates Cove Townhomes Fractional Ownerships

- This is a fee simple property. You own 1/8th of the building, the dirt underneath the building and the furniture and fixtures inside.
- There are 6 units in the complex that are fractionally owned. The remaining 32 units are full ownerships.
- Owners have 1 week's use every 8 weeks, which runs from Friday 4 p.m. check-in to Friday 10 a.m. check-out.
- Cleaning of the units take place Fridays 10 a.m. to 4 p.m.
- The schedule is pre-set and backs up by 2 weeks each year. This gives everyone a chance to be there during a major holiday once every 8 years. There is also a perpetual calendar that can be referred to for future share dates.
- The maintenance fee is due every month and covers the following:
 - Interior & Exterior Maintenance
 - Building Insurance – Flood, Windstorm & Hazard
 - All utilities including wifi, cable and landline
 - Cleaning and linen fee
- Galveston Country Club Social Membership required and billed to each individual monthly at \$72/month. Initiation fee is waived.
- Taxes are billed to each individual owner.
- NO PETS ALLOWED with fractional ownerships.
- Currently, assessments are being billed to complete exterior updating. Each fractional owner will be billed \$312.50/year in May 2018, and 2019.

**PIRATES COVE TOWNHOME COUNCIL II
1/8 SHARE OWNER
2019 SCHEDULE**

Owner A - Dates	Week	Owner B - Dates	Week	Owner C - Dates	Week	Owner D -Dates	Week
JAN 18 - JAN 25	3	JAN 25 - FEB 01	4	FEB 01 - FEB 08	5	FEB 08 - FEB 15	6
MAR 15 - MAR 22	11	MAR 22 - MAR 29	12	MAR 29 - APR 05	13	APR 05 - APR 12	14
MAY 10 - MAY 17	19	MAY 17 - MAY 24	20	MAY 24 - MAY 31	21	MAY 31 - JUN 07	22
JUL 05 - JUL 12	27	JUL 12 - JUL 19	28	JUL 19 - JUL 26	29	JUL 26 - AUG 02	30
AUG 30 - SEP 06	35	SEP 06 - SEP 13	36	SEP 13 - SEP 20	37	SEP 20 - SEP 27	38
OCT 25 - NOV 01	43	NOV 01 - NOV 08	44	NOV 08 - NOV 15	45	NOV 15 - NOV 22	46
DEC 20 - DEC 27	51	DEC 27 - JAN 03	52				

Owner E - Dates	Week	Owner F - Dates	Week	Owner G - Dates	Week	Owner H - Dates	Week
FEB 15 - FEB 22	7	FEB 22 - MAR 01	8	JAN 04 - JAN 11	1*	JAN 11 - JAN 18	2*
APR 12 - APR 19	15	APR 19 - APR 26	16	MAR 01 - MAR 08	9	MAR 08 - MAR 15	10
JUN 07 - JUN 14	23	JUN 14 - JUN 21	24	APR 26 - MAY 03	17	MAY 03 - MAY 10	18
AUG 02 - AUG 09	31	AUG 09 - AUG 16	32	JUN 21 - JUN 28	25	JUN 28 - JUL 05	26
SEP 27 - OCT 04	39	OCT 04 - OCT 11	40	AUG 16 - AUG 23	33	AUG 23 - AUG 30	34
NOV 22 - NOV 29	47	NOV 29 - DEC 06	48	OCT 11 - OCT 18	41	OCT 18 - OCT 25	42
				DEC 06 - DEC 13	49	DEC 13 - DEC 20	50

*Note: Weeks #1 and #2 are the "extended Maintenance Periods" and MAY NOT BE USED by owners or rented out.

In a year where there are 53 weeks, the owner who has week 52, also has week 53.

The use period begins on Friday at 5:00 p.m. (check-in) and ends Friday at 11:00 a.m. (Check-out)

Housekeeping - Galveston One-Stop Cleaning - Ray Plummer - 409-739-9166

MAINTENANCE AND REPAIR ISSUES DIRECTED TO:

LIZ COOK

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URGENT MATTERS - 713-557-0507

ACCOUNTING MATTERS ONLY:

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