



Frequently Asked Questions

1. What does quarter share fractional ownership mean?

Unlike timeshare ownership, with fractional ownership you have a title deed for the cabin and the land on which it is built. You own a fourth of the physical structure. The benefit of that is you can write a mortgage on the property, deed the property to a family member or someone else and gain in any appreciation of the property. Each cabin owner has 13 weeks per year to use or rent. As a Dodge's Log Lodges fractional owner you are not just purchasing a cabin on the Lake, you are joining a tradition and history of North Shore escape, tranquility, relaxation and hypnotizing allure of Lake Superior. Because Dodge's Log Lodges has hosted generations of couples and families since 1932, you are also buying a rental cabin that has a foundation of satisfied customers driving a consistent rental demand.

2. What does the management fee cover?

We put together a detailed list of everything we do as part of the rental management fee and ended up with too many pages! We will try to be more concise here to give you a general idea of what we do:

- Sales & Marketing –Responsibilities include creation and implementation of marketing plans, negotiating ad buys and placement, oversee all brochure development and printing, maximize revenues, direct sales efforts, perform competitive rate analysis, create all on-site programs and a host of other duties.
- Administration – The resort manager and staff provide overall management and direction for all departments, interface with cabin owners, and represents resort in community affairs and local issues. Accounting handles payroll, pays invoices for resort, processes credit card and direct bill transactions, manage bank accounts, nightly audit services, quarterly financial statements, process all owner rentals, expenses, and produces quarterly statements to owners.
- Resort Operations – This is most visible group of people to the guests and includes Front Desk, Reservations, Housekeeping and Maintenance. They are involved in booking reservations, check in and check out, cleaning rooms and public areas, laundry, maintaining all your cabins, firewood, various guest activities and owner programs. They are the first to welcome the guests and the ones to thank and invite them back. In between they will have done everything from bringing extra towels, directing them to their favorite hike, and jump starting their car when it's cold.

- Other Things – Again, an extensive list of expenses but here are a few: liability and workers comp insurance, maintenance shop and tools, vehicles, laundry facility and equipment, office equipment, IT including computers, servers, software, and support, employee recruitment, staff training, auto and travel expenses, telephone and reservation expenses.

3. *What rates will be charged to rent my cabin?*

Rental rates are determined by a number of factors including: competitor's rate levels, seasonality, weekday vs. weekend, # of cabins booked, return guest percentage, special events, weather, current economic conditions, etc. As a unique North Shore cabin resort we will focus on growing both rates and occupancy to maximize the return for our owners. Current rates have been set to purposely reintroduce the improvements in Dodge's Log Lodges made this past year.

4. *How much can the owner use their cabin and how do we book it?*

In this current year, we have committed reservations to our many repeat guests. Some of them will want to book next year's reservations when they depart. As a buyer, you are essentially "buying the rental income" this year. Upon purchase, the owner will have first choice on reserving the cabin for themselves in the year following their purchase. New owners receive an owner use form to reserve as many owned weeks as they want before the unit is released to our rental inventory in the next new year. After that, you can phone or email reservations requests as you would like to make them. We typically will take rental reservations one year out so if you know you will want to use your cabin please make the reservation well ahead. Please remember, this is your cabin first and an investment second; we want you to come as often as you want and will do everything possible to make that work. That being said, owner occupancy does reduce the overall opportunity for revenue especially during the peak season. Enjoying your cabin during the off-season will have less impact on your rental income.

5. *How does Housekeeping work?*

As part of the rental management fee, the resort provides housekeeping services for your rental guests. This includes laundry (wages, detergents, equipment, and utilities), cabin cleaning prior to arrival (wages, cleaning supplies, equipment, and transportation), guest supplies (soap, paper products, etc) and inspections by management or other qualified team members. We also provide the same services for Owners and Guests of Owners during their stay for a fee outlined in Schedule A of the Agency Agreement.

6. *How does Maintenance work?*

We provide maintenance services for all areas of the resort. In general, maintenance performed on the interior of a cabin is paid for by the Dodge's Log Lodges Shared Owners Association. Maintenance performed outside the units is typically paid for by the Dodge's Log Lodges Common Interest Association. Most maintenance is handled by our own trained staff; electrical, plumbing, and other specialized areas are handled by local contractors with whom we have experience.

7. *What is covered by the Homeowners Association dues?*

There are actually two associations at Dodge's Log Lodges. The first is the Dodge's Log Lodges Shared Owners Association which is made up of all the quartershare owners. This association pays expenses primarily inside the cabins i.e. electricity, plumbing, gas, interior maintenance and repairs, unit supply (linens, dishes, utensils, etc), property taxes, association management fee, homeowners insurance, and capital improvements escrow. The second association is what we term the Dodge's Log Lodges Community Owners Association which is made up of all the cabins (1 share per cabin rather than 1 per owner). This association is responsible for items affecting the overall property including sewer and water, firewood, lawn and grounds, refuse, snow removal, exterior maintenance, shared property taxes and insurance, association management fees, etc. Both budgets should be in the documentation you received as part of your purchase agreement. Dale and Cathy Krueger are currently the officers of both associations until enough cabins are sold to elect a board of directors made up of the homeowners. Volunteers for the board should contact one of them; be warned, the pay is lousy (none), work is unappreciated by your fellow owners, but there is generally great food and lots of friendships developed!

8. *What happens if there is damage to a unit by a rental guest?*

The vast majority of our guests are respectful of your cabins and we experience very little guest damage in relation to the number of people that stay in your cabin. Unfortunately, experience shows us that eventually someone will damage something beyond the normal wear and tear. When this occurs, we will use our best efforts to secure payment from the guest to cover any repair or replacement costs associated with the damage. If this cannot be done, the cost is ultimately paid by the owners of the cabin.

9. *How do we know what weeks we own each year?*

Quartershare owners have their share weeks rotation schedule at least 7 years in advance. Each year the share weeks rotate in order to spread the 8 most significant annual holidays over a four year period. In other words, each quartershare owner gets 2 holiday weeks per year and owns all 8 holiday weeks over four years. The significance of that is you may want to use your cabin on a particular holiday or typically, the holiday weekends drive the most rental income. A copy of the quartershare rotation calendar and the annual quartershare week schedule is available through your real estate representative.