



# FREQUENTLY ASKED QUESTIONS

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## **Who Owns the Hotel?**

There are (106) condominium suites in the hotel that belong to the Muskoka Condominium Corporation # 65 (MCC# 65). It is these (106) unit owners and their condominium corporation that own the hotel units and common elements. The Muskoka Condominium Corporation # 65 has its own budgets & board of directors that provide the oversight to the hotel operation.

## **Does the Developer Own Any Units?**

The Muskoka Wharf Corporation is the developer. This is the firm that built the hotel and they still own (40) of the (106) condominium units. These (40) units participate in the hotel rental pool the same as the (66) individual unit owners.

## **Hotel Operation & Rental Pool Manager**

A company known as the Muskoka Wharf Management Services Inc. acts as the property manager and rental pool manager. Condominium unit owners contact the Rental Pool Manager to make reservations, inquire about the business of the condominium corporation, rental pool income statements and cheques. The current Rental Pool Manager is Gregg Evans. His management firm, North Country Property Management Limited is contracted by the Muskoka Condominium Corporation # 65 to act as property and rental pool manager.

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## **Marriott Hotels of Canada**

Marriott Hotels of Canada do not have equity in the hotel. They have been retained by Muskoka Wharf Management Services Inc. to manage the hotel for 25 years. All staff in the hotel are paid by Marriott, but they actually work for Muskoka Wharf Management Services Inc. Marriott Hotels of Canada oversees the day-to-day operations and ensure the hotel meets the Marriott standards.

Marriott staff create the monthly profit & loss statements from which the rental pool income is derived. Marriott Hotels control the hotel's bank accounts and hold the Finishes, Furniture & Fixtures reserve fund (FF& E) in trust for the Muskoka Condominium Corporation # 65. Marriott's agreement is renewable after 25 years. Marriott is paid 7% of total room revenue and 2.5% of room revenue for national advertising.

## **Who Pays the Monthly Common Element Fees?**

Marriott Hotels, through Muskoka Wharf Management Services Inc., pay all the bills associated with the business operation as well as the Muskoka Condominium Corporation # 65's bills. Rental pool income is distributed net of common element fees. The unit owners do not have to provide monthly post-dated cheques to MCC# 65.

## **Who pays the Harmonized Sales Tax on Room Sales?**

Marriott Hotels acts as " agent " for the unit owners and collects and remits the harmonized sales tax to the Canada Revenue Agency on room sales. Unit owner's rental pool income distribution is net of HST.

## **Is There HST on the Purchase Price of a Condominium Unit?**

The harmonized sales tax (13%) is extra to the published selling price of the condominium units. All purchasers are advised to register for the Harmonized Sales Tax in which case they can self-assess and therefore be exempt from paying the HST. Being an HST registrant allows unit owners to collect the input tax credit on the common element fees paid annually.

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### **Do I Need to Insure My Condominium Unit and Its Contents?**

No, the Muskoka Condominium Corporation # 65 purchases a blanket insurance policy on behalf of the (106) unit owners and builds the premium into their annual operating budget. This covers the hotel operation as well as the (106) unit owners for all perils.

### **Who Pays the Property Taxes?**

Each purchaser of a condominium unit will receive an invoice from the local municipality and must pay this individually. The condominium corporation does not involve itself with the property taxes.

### **Does a Unit Owner Receive a Monthly Statement of Rental Pool Income Distribution?**

Yes, on the 20th day of the month following, Marriott Hotels issues the hotel profit & loss statements. The Rental Pool Manager inputs the figures from the Marriott report into a Filemaker software program that calculates the amount of rental pool income each unit has earned.

Cheques are sent out on the 25th day of the month following, so unit owners can expect their monthly statement and cheque on or about the first of the next month.

### **What Occupancy Average is the Hotel Achieving?**

The Marriott Residence Inn at Muskoka Wharf has grown by 10% annually for the first five years of operation and in 2014 achieved a 63.1% occupancy average. The hotel has the highest occupancy average of any hotel operation in Muskoka. It is conceivable that the hotel could achieve a 70% occupancy average by 2017.

Marriott is projecting continued growth of 4% in hotel room sales into 2015. The hotel's average room rate in 2014 was \$163.00 per room per night. This is expected to continue to grow annually at a rate of 4% per year according to Marriott's projections.

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### **Does the Hotel Bill Me for Maintenance to My Suite?**

Marriott Hotels withholds 5.5% of your monthly rental pool income distribution and holds it in an FF& E Fund and invests it in guaranteed investment certificates. The FF& E fund is designed such that all maintenance and repairs in your suite as well as the refurbishment of finishes and suite furniture when required, is paid for out of the FF& E fund. Additionally, the Muskoka Condominium Corporation # 65 is building a secondary capital reserve fund to ensure there are no cash calls when Marriott deems it is time to purchase all new furniture for your suite to meet their standards.

### **Is the Condominium Corporation Audited?**

Yes, under the Condominium Act, 1998, all condominium corporations with more than (25) units are required to have their books audited by a third party chartered accountancy firm annually. The auditor also audits the Rental Pool Income distribution program.

### **How Often Can I Book My Unit for Personal Use?**

All unit owners may use up to 35 days per year for personal use. When you are using your unit personally, your unit is withdrawn from the Rental Pool for the period of time you are in-house. There is an annual reconciliation whereby your Rental Pool Income is credited for those days you used it.

To reserve your suite, you must contact the Rental Pool Manager, not the hotel & the Rental Pool Manager will confirm your reservation subject to availability. Please note you can book no more than (14) days of personal use during the hotels high season between June & September. The further out you book, the less chance you will be disappointed if the hotel is sold out.

### **Can I Reserve My Unit for Friends & Family & Business Associates?**

Yes, you can reserve your suite for anyone within your (35) days of personal use providing you contact the Rental Pool Manager and disclose the name of your guest and whether or not you will pay the departure cleaning cost or your guest will.

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## **Who Cleans My Unit?**

The hotel housekeeping staff clean your unit daily at no cost to you other than a fixed amount at the end of a personal stay to ready the unit for the next hotel guest arriving. You are expected to pay these cleaning costs upon your departure. The fee varies depending on whether you own a studio, one or two bedroom suite.

Once every year, your unit will go through a deep clean by the hotel housekeeping staff for which you are responsible to pay. This fee is deducted from your Rental Pool Income on the month the deep clean is completed. The fee ranges from \$ 250.00 to \$ 325.00 + HST depending on whether you own a studio, one or two bedroom suite.