

## **MAISON BIZE Fractional Ownership FAQ's**

Located in the beautiful and picturesque village of Bize-Minervois in the South of France, Maison Bize offers a unique opportunity to purchase a piece of a French property without a large outlay of capital or the stress or difficulties typically associated with buying a property in another country. We carefully selected this turnkey village house for its amenities, design, size, location and overall "wow" factor. As an exclusive Member Owner (shareholder) of Maison Bize LLC, you can own a fractional/percentage share in this lovely house and make your dreams of owning property in France a reality.

### **What is fractional ownership and how do I become a part of it?**

Like many vacationers, we fell in love with the beauty and lifestyle of the South of France and longed to live there and also have a home base in a prime location for travel throughout France and Europe. But how? It seemed impractical and expensive to own and maintain a vacation home in a foreign country.

After extensive amounts of research, we discovered that the solution was fractional ownership, which allows like-minded people to join together and own percentage

shares in real estate. In November 2022, we formed an American limited liability company and purchased a village house in Bize-Minervois in the South of France. Ownership in Maison Bize offers the best of all worlds—you will enjoy the benefits of owning a turnkey, fully furnished, professionally designed second home in France without the legal hassles.

## **How does Fractional Ownership differ from a traditional Timeshare?**

With fractional ownership, you own your percentage of a specific property and typically have the guaranteed right to use the property for a certain number of weeks per share each year. Fractional owners pay an annual maintenance fee that is linked to the direct costs of maintaining the property and is based on the size of their ownership share. A fractional share is also an asset, and owners therefore have the ability to sell their share at any time at market price.

In comparison, with a traditional timeshare you have no ownership rights, but only have the right to use the property or a sister property for a fixed or floating time period (typically one to two weeks each year). Timeshare buyers are required to pay annual maintenance fees, reserve fees, exchange fees, and taxes that are not linked to actual costs and that increase (oftentimes by

substantial amounts) each year. Timeshare buyers are also not owners and have no direct say in how the asset is used, maintained or sold. Further, it can be extremely difficult to sell a timeshare or to even voluntarily relinquish your rights.

## **What is a property share and why should I buy one?**

This is a unique opportunity to purchase deeded property/real estate in a prime location without breaking the bank. As one of only 10 Member Owners (shareholders) of our LLC, you will own a share of the limited liability company, which owns and manages the property. The shares are easy to purchase, transfer or resell as defined in the LLC Operating Agreement.

## **Why do you use an LLC?**

France has rather complicated and restrictive tax and inheritance laws if you buy a property outright. By using a LLC based in the United States, the Member Owners are governed by U.S. tax and inheritance laws. Our LLC fractional property is a member-formed company which allows the shareholders to own and manage real estate in accordance with the conditions of the Operating Agreement.

## **What is an Operating Agreement?**

An operating agreement sets out the rights, obligations and duties regarding the LLC, and typically includes provisions relating to 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 does the Maison Bize Operating Agreement say?**

The Operating Agreement outlines the rights and responsibilities of co-ownership in Maison Bize and is signed as part of the purchasing process.

## **How is Maison Bize managed?**

Rather than use an outside management company, our LLC is Member-managed. One Member Manager coordinates the annual meeting, distributes financials, ensures that annual dues are paid, acts as the liaison with our property management agent in France, assigns visit slots to Member Owners and organises the house calendar. The Member Manager accepts this role in exchange for not paying annual house dues.

## **What annual expenses might I expect as a LLC shareholder?**

Annual property expenses for Maison Bize include homeowners' insurance, property taxes, costs for property management in France and charges for the Internet and utilities. We also maintain a small contingency fund to cover the costs of unexpected repairs. Overall, Member Owners can expect to pay approximately \$750-\$800 per share each year. This amount is directly linked to actual costs, so it remains fairly fixed. In addition, we also ask each Member Owner to pay a small cleaning fee of approximately 75-100 euros following a visit to the house by that Member Owner. Finally, from time to time, when we need to fund capital improvements or necessary renovations, including new appliances or repairs to the house, such expenses are first approved by the Member Owners at the annual meeting and then the costs are allocated based on the ownership interests.

## **How does each shareholder reserve time at the house?**

Each share owned by an individual Member Owner will carry with it the right to use Maison Bize for five weeks each year—two weeks in the low season (November 1st through March 31st) and three weeks in the high season (April 1st through October 31st). Reserving time is done

on a rotational basis for each season. For example, if Member Owner A chooses their high season period first in 2024, then they will choose their high season period last in 2025.

In any given year Member Owners may release and donate their time to other Member Owners. Therefore there is an opportunity to stay for even more time than the normally allotted five weeks and/or the opportunity to switch the time of your stay.

## **Is there a caretaker who oversees cleaning and assesses the condition of the house?**

Yes. Our LLC has a local property manager who is responsible for preparing the house for each Member Owner's arrival so the house is always ready for Member Owners to drop their bags and enjoy. Following each stay, the property manager is responsible for cleaning the house and linens. Upon departure, each Member Owner is responsible for leaving a pre-arranged payment (approximately 75-100 euros) in an envelope for these cleaning services. The property manager also coordinates and oversees any maintenance appointments that may occur throughout the year.

## **Can we rent out our time?**

Our Operating Agreement does not allow for the property to be commercially rented, so you have peace of mind knowing the property is only being used by the small owner group and their guests. However, you will have the option of occasionally allowing your family or friends to use your time when you are not present so long as each guest has read, signed, and agreed to abide by the house rules and instructions.

## **So, what's next?**

Contact us to set up a time to meet and/or speak about learning more about becoming a Member Owner of Maison Bize!