



## *Fractional Ownership*

### MAISON CHÂTEAUNEUF-DU-PAPE

As the current owners of *Maison Châteauneuf-du-Pape*, we are offering a limited number of fractional shares in our property. We discovered our little pied-a-terre almost 15 years ago when we were exploring the village where our favorite wine in the world is made. Since then we have enjoyed lazy summer days, afternoons at the café just reading a book, starlit strolls in the vineyards, a progressive wine dinner with local wine makers and learning all about the legendary wines of the *Appellation d'origine Controlée* called *Châteauneuf du Pape*. We are now moving to the next chapter of this one-in-a-lifetime experience.

Each owner will have exclusive use of *Maison Châteauneuf* for four weeks every year. Every Fall, we choose two, two-week periods for the upcoming calendar year. During those chosen periods, we may use the house, offer it to our family, friends or business associates. It gives all of us a chance to call a little piece of Provence our home, and owning fractionally offers great advantages compared with other vacation property options.



### AFFORDABLE AND PRACTICAL

Fractional ownership increases purchasing power, making it possible to acquire an ownership interest in an asset that seems too complicated to pursue or simply not affordable. Studies have shown that the average usage of a solely-owned vacation home is only 4 to 6 weeks per year, but property taxes and operating expenses must be paid year-round. Sharing these costs with our co-owners is an economical alternative. Besides, it is sad to think of a single-owner vacation home sitting vacant even for a week, when someone could be enjoying it!

What's more, 40 weeks per year with owners in residence leaves an additional 12 weeks to rent the property and cover the bulk of our annual operating costs.\*

We have built a track record of success in creating fractional partnerships as well as renting our home in *Châteauneuf* to others. We've learned how to engage like-minded co-owners and renters who have a continuing interest in maintaining the property to high standards. We created our first fractional property more than 20 years ago and with just one partner change, we six partners are still going strong. Each of us enjoys time at our Own French Home, every year!



## A GREAT TRIP EVERY TIME

We love coming to a familiar place in our *provençal* home. We look forward to getting together with new friends we've made in the village, tasting the latest vintage from our favorite winemakers, and listening to their passionate stories about the perils and delights of being a vintner. And it's a great jumping-off point for visiting the villages of the Rhone Valley and sampling the food and wine of the region.

One of our favorite things to do while staying at *Maison Châteauneuf du Pape* is to watch the sunset from the top of the village, perched on a little stone wall that is part of the iconic *Chateau* ruin. Armed with our favorite *vin* and a baguette, we make the short climb through winding, centuries' old stone streets to watch the changing light over the Rhône River, with Avignon in the distance. It is a magical experience!

Each owner will have a place in the wine *cave* to store their private collection as well as a storage locker to keep clothing and other belongings so they can travel light. Add in the privacy and exclusivity of owning a residence that is totally one-of-a-kind, not part of a large resort or hotel complex. We have a unique package that can only be found through single-unit fractional ownership.



## SAFE AND SANE LEGAL STRUCTURE

With the LLC structure, partners own shares in an Oregon Limited Liability Company which in turn owns the real estate in Provence. The U.S. The documents governing ownership and use are written in English, are governed by U.S. law, and can be enforced in the U.S.

### **Why not a timeshare?**

Our fractional ownership can be gifted, inherited, or sold freely at any time. As founding partners, we are retaining ownership of two shares of Your Own French Home, LLC and offering eight shares for purchase. The property and rental business is owned within an Oregon Limited Liability Company, so rather than just having membership or usage rights, you are a 1/10th owner of the LLC. This allows us all to benefit directly from market appreciation and gives us and our co-owners control over all important decisions relating to the property. The relatively small size of the ownership group creates a much closer

connection between the owners and the property, translating into a higher standard of care for the property during stays. And, although some of the daily responsibilities of management may be delegated, we retain ultimate control over the level of services, rentals and donations to charity, condition of the property, choice of management, and amount of dues if any.\*

When an owner wishes to transfer his/her share through sale, gift or inheritance, the transaction occurs in the U.S., subject to U.S. law. Title to the house will not change (it will still be 100% owned by the LLC.) This legal structure offers significant practical benefits:

- ✓ **Efficient Enforcement.** Should collecting ownership dues or enforcing owner obligations ever become a problem, the bylaws can be promptly enforced in the United States, at relatively low cost. By contrast, enforcement of a co-ownership system reliant on French law generally takes years and costs tens of thousands.
- ✓ **Efficient Transactions.** Transfer of an owner's share can be completed quickly. Inheritance can be accomplished through a will or trust in the same manner as any other U.S. asset. By contrast, transfer of French real estate held in a more traditional form requires specialized professionals and takes many months. Inheritance is subject to special French law that often interferes with an owner's intentions.
- ✓ **Familiar Language and Customs.** All of the significant documents, functions and activities of the owners can be conducted in English, and can be based upon customs and procedures that will seem familiar and natural to the owners.



## PARTNER USE & OPERATION

Every year each owner chooses two, two-week usage periods. For this purpose, the calendar year is divided into 2-week periods, on a Wednesday afternoon to Wednesday morning reservation schedule.

The ten *Maison Châteauneuf* shares are designated "A" through "J" and when an owner purchased a share, they chose one of the available letter designations. That letter establishes the owner's order of priority for choosing from that time forward.

Every Fall, the usage periods for the following year are chosen in two selection rounds, in a revolving priority order. The first year, share A will have first choice of a period, followed by share B, and so on. In this way, owners choose their first usage period sequentially depending on their order of preference for that particular year. After this first round of choosing the first periods, each owner then chooses their second period in reverse priority order. To ease the obtaining of 4 contiguous weeks, owners are free to negotiate or exchange chosen periods among themselves. Each subsequent year, the priority order moves up three places. This assures that everyone will have equitable access to early and later choices.

In our experience, not all owners want to compete for the same time slots. For example, biking and hiking enthusiasts prefer the cooler spring, fall and winter weeks. Owners with school-age children prefer summer or school vacations. Food and wine lovers enjoy all seasons, and will especially not want to miss the winter holiday season or the truffle season (from November through February). Every month

of the year is attractive for one reason or another in this part of Provence, and the village of Chateauneuf du Pape is active all year round. Once you begin identifying with the village, we believe you will want to experience it in all seasons.

### **Operating Structure**

*Maison Châteauneuf's* fractional ownership organizational and operating structure will be familiar to anyone who has ever owned a condominium or gated community home. Each owner pays dues determined by a budget prepared annually based on anticipated operating costs and the need to accumulate reserves for repair and replacement of the property, furnishings and equipment. The budget is subject to review and approval by a board of three directors elected by the owners.

Our housekeeper or other local service ensures that the property is clean, well maintained, and ready for each owner's arrival. As managers, we collect dues, pay bills, keep accounts, and make day-to-day operating decisions. When items require repair or replacement, we access reserve funds and complete the work without an owner vote, guaranteeing that consistently high standards are maintained for years to come. Unforeseen issues or capital improvements are subject to approval by the owners.



### **TIMING**

Because of the rising interest in *Châteauneuf-du-Pape*, the 2015 season is almost fully booked with paying guests. Many have purchased through charitable auctions which we offer a one-week package with a reserve fee paid to the LLC. \*Our current proposal is to retain rental weeks to cover operational costs. After the first year of ownership by the full complement of owners, we will vote on whether to continue rentals or to pay annual dues to cover operating expenses, thus reserving 50 weeks of usage by owners.



### **PURCHASE PRICE**

**\$30,000 per share = 4 weeks per year = appreciating asset = annual visits to Provence = affordable way to own Your Own French Home.**

### **TO LEARN MORE:**

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