

## Frequently Asked Questions - The Scheme

### *How does the leaseback scheme work?*

You fully own your own apartment and you lease it back to the *Les Domaines* Operator. In return for the lease you get:

- The right to occupy your apartment for up to eight weeks each year
- A share of the rental during the rest of the year
- The special owner tax benefits mentioned above

We offer potential owners the opportunity to spend one hour with our local French Accountants, SAREG, who will be able to advise you of the best financial structures to suit your personal needs

### *If I buy an apartment, do I have to participate in the leaseback scheme?*

Yes. *Les Domaines* will be operated under the French Residence de Tourisme scheme which offers several tax benefits to the owner of the apartment, (a reduction of 19.6%, the current rate of VAT on the initial cost of the apartment and the opportunity to benefit from a zero rate of CGT after 5 years).

### *How is my rental income calculated?*

Your rental income is your share (calculated according to the size of your apartment) of half of the accommodation income generated by *Les Domaines*, less an allowance for the accommodation income lost through use during your owner's weeks. The precise calculation is set out in the lease and is illustrated in the worked example.

### *How much rental income might I reasonably expect to receive?*

It will depend on the levels of occupancy of *Les Domaines*, the number of owner's weeks you take and, the size of your apartment.

The rental income is estimated initially at 4% of the purchase price of your apartment and you could reasonably expect it will be sufficient to cover the management fees, building maintenance cost and *Les Domaines* concierge services for your stay depending on usage. *Les Domaines* will be open all year with restricted services in May and November.

### *What ongoing costs do I face?*

Management fees.

### *How much will the management fees and the building maintenance costs be?*

See reservation contract.

### *How much will the SPA membership be?*

The price of the SPA membership has not yet been set, but we hope to offer this to owners at no charge.

### *Is SPA membership open to non residents?*

Yes. This will be very carefully controlled to ensure owners and guests are not inconvenienced and always have priority.

### *What do I have to pay for during my owner's weeks?*

During your owner's weeks, you will pay for the services you use (other than accommodation) in particular you will pay for your meals (which will be on a half board basis).

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### *What happens if I choose to use less than eight weeks in a year?*

Then you will benefit from the additional rental income as set out in the lease and shown in the worked example.

### *If I would like someone else to take advantage of my owner's weeks, can I do so?*

Yes, under the same conditions you enjoy as an owner.

### *Can I choose any week I like?*

Yes, you can choose up to five weeks during the winter season (December - April) and any number of weeks during the summer season (June to October), totaling 8 weeks per annum, other than the weeks reserved in advance by the operator to benefit from corporate business or other events. If you prefer summer weeks instead of winter weeks for your stay, that would pose no problem.

### *When do I have to choose my weeks in order to get the ones I want?!*

You need to choose your weeks for the winter season in May and for the summer season in January.

### *Which weeks are the "peak weeks"?*

Peak weeks are based on the UK school holidays, which are Christmas and New Year, the February half term and Easter.

### *Can I change my choice of weeks part way through the season?*

Yes, subject to availability.

### *Who is the Les Domaines Operator?*

The hotel will be operated by the owners of Ferme de Montagne, the existing property on which the *Les Domaines* concept is based.

### *Is there a separate management company?*

Yes, there is a separate management company.

### *What happens to my personal effects when I am not in residence?*

Each apartment has its own separately located, dedicated storage area and a ski locker for your personal use. The *Les Domaines* Operator will store your personal effects and ski equipment for you when you are not in residence.

### *Is this time share?*

Absolutely not, you own your apartment, in perpetuity, and banks will provide mortgages on this type of property.

### *Can I sell my apartment?*

Yes, at any time.

### *Who is responsible for insuring my apartment?*

The *Les Domaines* Operator will insure your apartment and its contents which is covered by the annual Management Fees.