

## **RENTAL PROGRAM MANUAL**

1. Introduction
2. Functioning
3. Enjoyment of the residence
4. Calculation of profit
5. Distribution of profit
6. Lease contract and services

## 1. INTRODUCTION

The Fives Downtown Residences Playa del Carmen is a full ownership and hotel project developed by TM Real Estate Group.

The Fives Downtown Residences Playa del Carmen, consists of residences designed to exceed the satisfaction requirements and needs of their owners, as well as to serve as a luxury hotel under the format of the Rental Program, which allows owners to assign the use of their residences during those periods when such units are not in use.

TM Real Estate Group is the owner of all the hotel amenities; due to its high investment commitments, guarantees all owners a permanent presence in the project, making sure that all areas are always in excellent condition, keeping the maintenance up to date, so the guests and owners can enjoy such facilities in the best possible manner.

“The Fives Downtown Residences Playa del Carmen – part of Curio, a collection by Hilton”, will be the brand that will be commercializing the hotel operation. Hilton is one of the highest and most prestigious hotel brand worldwide, guaranteeing their guests high quality standards in all services. Furthermore it will give access to more than 50 million guests who belong to the fidelity program of Hilton: Hilton HHonors™.

## 2. FUNCTIONING

The Fives provides its owners enrollment in its exclusive Rental Program.

The Rental Program consists in that the time periods not enjoyed by the owner, are to be used in the hotel operation. As a payment, the Rental Program shall distribute, in the manner detailed below, the profits of the hotel operation directly to the owners.

### 3. ENJOYMENT OF THE RESIDENCE

The Owner shall execute the leasing agreement for a period of 12 years. At the expiration date, the owner shall be entitled to renew such agreement and continue with the program, or not renew it and having it terminated.

It has been designed as a flexible plan of use and enjoyment with the main purpose so the Owners can enjoy their residence on the dates desired and use their home for 56 days per year.

The reservation process for owners is the following:

I. During high season, reservations shall be made and confirmed at least 90 days in advance. For this purpose, it is considered as high season: From December 20th to the end of Easter holidays and from July 10th to August 14th.

II. The rest of the year all reservations shall be made at least 15 days in advance in order to guarantee the availability of their residence.

III. If the owner makes a reservation not according to the minimums required above, and their residence is occupied, then it shall be provided to them, to the extent possible, a residence similar to theirs, but subject to the availability, at no cost.

IV. If an owner reserves and happens to not use it, it shall be considered as if it would have been used.

V. The owner, during his stay, and within the period determined, shall use all the hotel services.

## 4. CALCULATION OF PROFIT

During the periods when the residence is not being used by the Owner, the Hotel Operator shall take care of all operations, promotions and marketing.

From the net profit generated, seventy percent (70%) shall be distributed to the owners and thirty percent (30%) to the Administrator.

It is understood "net profit", the result of taking from all the income of the rooms hotel operation, the necessary expenses for making it work, in one fiscal year and including in such expenses the following:

- Maintenance Fee
- Brand Fee
- Operation expenses
- Marketing expenses
- Maintenance and repairs
- 5% corresponding to conservation of The Residence

## 5. DISTRIBUTION OF PROFIT

Depending on the number of days that a specific residence was available for the hotel operation and type of residence, each Owner shall receive his corresponding payment.

The profits shall be calculated on a monthly basis and accrued on an annual basis.

The distribution shall be made at the end of the fiscal year (after completing the financial review), by a single payment, during the month of March of the following year.

The Owner shall receive a monthly statement of the Rental Program.

## 6. LEASE CONTRACT AND SERVICES

The Owner will sign a 12 year lease agreement, which guarantees a minimum income to cover the general expenses of the residence, including the expenses for the Home Owners

Association fee, Administration, insurance, concierge, property taxes and all the services (light, water, cable TV and internet). All these expenses will be discounted from the final balance that the owner generates in the rental program and paid directly to the Community of Owners, therefore The Owner will not have to pay them personally.

The owners will be able to enjoy their residence 56 days per year and will enjoy a maximum of 28 days between December 20th and Easter holiday week and the balance of the days during the rest of the year.

The owners shall receive full maintenance of their residences during the whole lease contract term, without any extra costs and the best condition of their residence is guaranteed.

- Hotel cleaning service is included in the residence during their enjoyment term, including sheet change, towels, bathroom amenities, etc.
- Concierge and Butler service available, during their stay.
- The Fives Club membership
- Enjoy the private Beach Club with at The Fives Beach all services at no cost (towels, sunbeds, etc).
- “Pre-arrival Service”, which coordinate the Owner’s requirements prior to his arrival, i.e.: groceries supply, rental of vehicles, organize and reserve activities, tours and events, among others.
- Check-in express, personalized welcome amenities and discount coupons on services outside the complex.
- Access to the program Own Income Plus (guests), generates income to the Owner when he refers hotel guests.
- Access to the program Interval International so the Owner can travel and enjoy all affiliated resorts worldwide, using the same reservation periods available.
- Transfer, Airport-Hotel-Airport.