



LUXURY
VILLAS & CHALETS
Club Med 

PROPERTY

Preliminary descriptive notice

of the « Freedom Privilege », Exchange Programme for occupancy weeks granted to the owners of Club Med Chalet-Apartments of Valmorel who opt for the Lease Management Programme



**PRELIMINARY DESCRIPTIVE NOTICE
OF THE “FREEDOM PRIVILEGE”, EXCHANGE PROGRAMME
FOR OCCUPANCY WEEKS FORMING PART OF THE ENTITLEMENT
OF OWNERS OF CLUB MED CHALET-APARTMENTS OF VALMOREL
WHO OPT FOR THE LEASE MANAGEMENT PROGRAMME**

Club Méditerranée offers owners who entrust the management of their Club Med Chalet-Apartments of Valmorel to Club Méditerranée S.A. (hereinafter “CMSA”) the possibility to use their three to five weeks’ occupancy, under certain conditions, and if they so wish, at a selection of the most beautiful Club Med Resorts.

This information notice sums up the mode of operation of the “Freedom Privilege”, exchange programme for occupancy weeks strictly reserved to the owners of Club Med Chalet-Apartments of Valmorel who entrust their property to Club Méditerranée with a lease management contract.

This is only a preliminary descriptive notice, drawn up pending the finalisation of the detailed legal documents, which will be submitted to the owners involved prior to the signature of the deed of sale.

CONDITIONS APPLICABLE TO THE EXCHANGE PROGRAMME

Under the terms of the lease signed with CMSA, owners have full use of their Chalet Apartments for up to three weeks per year including one week in high season, one week in mid season and one week in low season, plus the possibility of two additional weeks depending on the Average Annual Variable Rent before tax paid during the Lessee’s previous financial year, as follows:

- a 4th week will be granted if the Average Annual Variable Rent before tax is equal to or below sixteen thousand Euros (16,000) before tax, and
- a 5th week will be granted if the Average Annual Variable Rent before tax is equal to or below thirteen thousand Euros (13,000) before tax.

Under the exchange scheme (hereinafter the “Exchange Programme” also called the “Freedom Privilege”), owners will have the possibility to exchange their three (3) to five (5) occupancy weeks a year in their Chalet-Apartment for the same number of weeks in one or more Resorts selected by Club Méditerranée (hereinafter the “Resorts”), in keeping with the calendar of the “high, mid and low season” periods applicable to the geographical area of the selected Resorts.

The calendar of the periods will be notified to the owners in accordance with the terms of the lease.

Holiday stays booked as part of the Exchange Programme must last for at least one week (7 nights). Owners wishing to book stays lasting less than 7 nights must submit their booking request at most twenty (20) days prior to the first day of the purported stay.

When the selection of Resorts proposed includes the Club Med 2, the length of stay aboard the Club Med 2 must correspond to the length of the cruises proposed, and must respect the boarding and disembarkation dates given in the “Club Med Cruises” brochure valid at the time of booking.

Each year, Club Méditerranée will offer owners of Chalet-Apartments a selection of Resorts to discover as part of their three to five weeks’ occupancy.

The selection will comprise five Resorts, including one 5-Trident or 5-Trident Luxury Space and four 4-Trident Resorts, including a “Mountain” Resort.

Club Méditerranée will be entitled to modify the number of Resorts on offer as well as the category (number of Tridents / mountain). Similarly, should one of the Resorts be closed for any particular reason, Club Méditerranée will then offer another Resort as a replacement.

Club Méditerranée cannot under any circumstance be held liable for changes made to the selection of Resorts offered as part of the Exchange Programme. Club Méditerranée will do everything in its power to inform owners of such changes as quickly as possible.

This offer does not include transportation or port taxes in case of a selection including Club Med 2, and does not include the “Skiing & Walking” service in the case of the “Mountain” Resort, and shall not give rise to any right to the payment of any excess rates to the owners. It is based on a principle of exchange at parity: each holiday week in one of the Resorts corresponds to a holiday week in the owners’ Chalet-Apartments and will be deducted from their three to five weeks’ occupancy quota.

The offer depends on availability at the target Resort of a number of Rooms and a number of people equivalent to the acknowledged capacity of the owner’s Chalet-Apartment, to wit:

Table of equivalence

Type of Chalet-Apartment	Maximum number of weeks ¹	Maximum number of people	Proposed Resort accommodation
2-bedroom Chalet-Apartment	5	4 people	2 Club Rooms (Resort)
“Large” 2-bedroom Chalet-Apartment	5	5 people	2 Club Rooms (Resort) ³
3-bedroom Chalet-Apartment	5	6 people	3 Club Rooms (Resort)
“Large” 3-bedroom Chalet-Apartment	5	7 people	3 Club Rooms (Resort) ³
4-bedroom Chalet-Apartment	5	8 people	4 Club Rooms (Resort)

¹ A maximum of five (5) weeks per year, one week during “high season”, one week during “mid season” and one week during “low season” and for the 4th and 5th weeks, whatever the season, including during the French school holidays.

² Provided that they exist and are available at the moment of arrival in the selected Resort, each Chalet-Apartment owner couple would be upgraded to the Room category immediately superior.

³ Subject to availability and the capacity of the chosen Resort at the time of reservation

The Exchange offer will apply to the number of people and the number of weeks mentioned in the equivalence table shown above. For example, a one week stay in a 2-bedroom Chalet-Apartment can be exchanged for a one week stay for 4 persons in any of the Resorts on offer.

The Beneficiary will not be able to use this equivalence in order to increase the duration of the stay by reducing the number of people for instance.

The possibility to stay in other Resorts as part of the Exchange Programme applies to the Beneficiaries only and their guests (*in accordance with the terms set out below*). During their stays, they will have access to the facilities and activities of the Resort they choose among those on offer, such as restaurants, bars, entertainment, sporting activities, under the terms stipulated by the sales brochures of Club Méditerranée, with the exception of the “Skiing & Walking” service (comprising skiing lessons, a ski lift pass and the Discovery of the mountain environment activity) for the “*Mountain*” Resort in the selection; for this service, a financial contribution of two hundred and ten (210) euros per person per week will be required (this rate being subject to the general terms of sale and to the Prices Booklet of Club Méditerranée that are in force on the date of the booking and in the country where the booking is done).

The Beneficiary and his guests may benefit from the additional activities proposed at extra cost, in return for a financial contribution in keeping with the rates applicable in the Resort: Children's clubs at extra cost, such as Baby Club Med (from 4 months to under 2 years old) and Petit Club Med (from 2 to under 4 years old), Spa, excursions, boutique, sporting activities at extra cost such as diving, golf, ski equipment rental, etc.

STARTING DATE OF THE EXCHANGE PROGRAMME

The Exchange Programme will begin on the delivery date of the Chalet-Apartment in the case of a Sale of a Property in a Future Stage of Completion or upon signature of the final deed of sale in the case of a sale of an already constructed Chalet-Apartment, provided that the operation of the Chalet-Apartments has begun.

Owners of Chalet-Apartments can benefit from this Exchange Programme throughout the term of the lease tying them to CMSA.

THE BENEFICIARIES OF THE EXCHANGE PROGRAMME

The Exchange Programme is strictly reserved to owners of Club Med Chalet-Apartments of Valmorel who have signed a lease under the following conditions.

- Should the owner be a natural person, this Exchange Programme will benefit:
 - o the owners and any persons who succeed them as a result of the transfer of ownership of the Chalet-Apartment, in accordance with the terms of the Lease, up to a maximum of five persons, the persons who have signed a final deed of sale and hold the title deeds, and
 - o their children, provided they are accompanied by a responsible adult, in accordance with the General Terms of Sale of the country where the booking is done given in the Trident brochure, if the children are under the age of majority.

- Should the owner be a legal person, this Exchange Programme will benefit:
 - o those natural people who are adults and who are shareholders in the company formed for the acquisition of the Chalet-Apartment, up to a maximum of five shareholders, and

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- their children. provided they are accompanied by a responsible adult, in accordance with the General Terms of Sale of the country where the booking is done given in the Trident brochure, if the children are under the age of majority.

(Defined separately as the « Beneficiary » and collectively as the « Beneficiaries »).

This offer being non-transferable and non-assignable, under the terms of this Exchange Programme the names of Beneficiaries must feature as occupants in the Resort's reservations.

PROCESSING OF BOOKING REQUESTS

In order to secure his occupancy weeks, as part of the Exchange Programme, the Beneficiary should book his stays in the Resorts on offer three (3) months at the earliest prior to the first day of a stay lasting at least 7 nights and twenty (20) days at the earliest prior to the first day of a stay lasting less than 7 nights.

When the selection of Resorts proposed includes the Club Med 2, the Beneficiary will be able to book his stays on board the Club Med 2 as part of the Exchange Programme at the earliest three (3) months before the first day of the stay; he must respect the length of the cruises proposed, and the dates of boarding and disembarkation given in the "Club Med Cruises" brochure valid at the time of booking.

Owners will be provided with the contact details of a dedicated contact person, and will be given a calendar of the high, mid and low seasons.

The booking dates will become firm and final two (2) months before the start of the stay. Once this deadline has elapsed, in case of cancellation, any occupancy weeks booked by a Beneficiary will be considered as having been used by that Beneficiary and any transportation costs, should the Beneficiary have booked transportation with Club Méditerranée, will be borne by that Beneficiary.

In the event of cancellation, Club Méditerranée's general conditions of sale of the country where the booking is done will apply and the Beneficiary will be required to pay the cancellation fees relating to transportation and for any other à la carte services.

If all the selected Resorts are full on the dates requested by the owner, the Beneficiary will not be able to choose another Resort which is not part of the selection. Instead, the Beneficiary will have to modify the dates of his stay.

OTHER CONDITIONS APPLICABLE TO THE EXCHANGE PROGRAMME

These terms and conditions will be complemented by the general terms of sale of the country where the booking is done of the Trident brochure that is in force at the time of booking as far as holiday stays in the Resorts and the other services provided by Club Méditerranée are concerned.

MANAGEMENT FEES

Administrative costs amounting to one hundred (100) euros per exchange will be invoiced to the Beneficiary. These costs may be modified at thirty (30) days' notice. The costs may be revised at the same time and in the same proportion as the changes that are made to the Prices

and Practical Information Booklet. These costs must be paid on the date on which the stay in the chosen Resort is booked.

REMUNERATION OF THE OWNERS:

In keeping with the terms of the Lease, owners will not be able to claim their share of the rent received from the rental of their Chalet-Apartment to third parties during their occupancy weeks spent on Exchanges in other Resorts offered by Club Méditerranée.