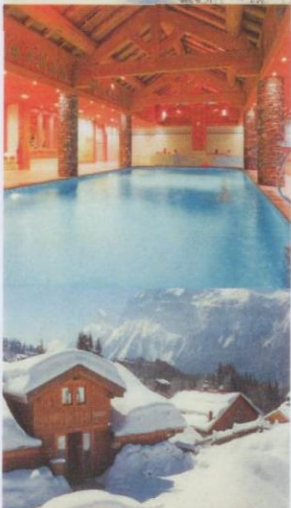
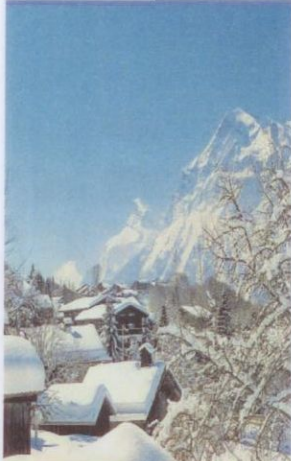




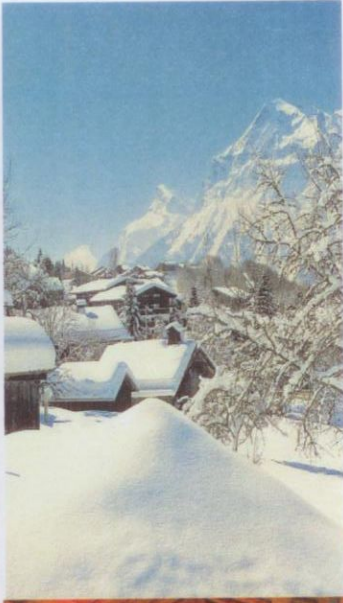
Owners Meeting

Les Fermes du Soleil ~ Les Carroz d'Araches

9th April 2013



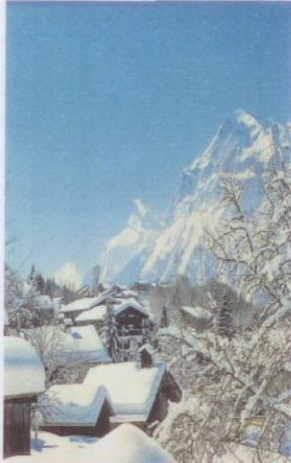
- ✓ **PV Premium : high end offer “Pierre et Vacances”**
- ✓ **Focus on “Résidence Fermes du Soleil”**
- ✓ **Your investment**
- ✓ **2013 : Approach**
- ✓ **2014 : New contract**
 - Planning
 - Content finalized
 - Content under review
- ✓ **Other choice : take back the flat in « traditional » ownership**
- ✓ **Taxes**
- ✓ **Organization**
- ✓ **Questions / answers**



Owners Meeting

Les Fermes du Soleil ~ Les Carroz d'Araches

9th April 2013



✓ **Offer and occupancy rates:**

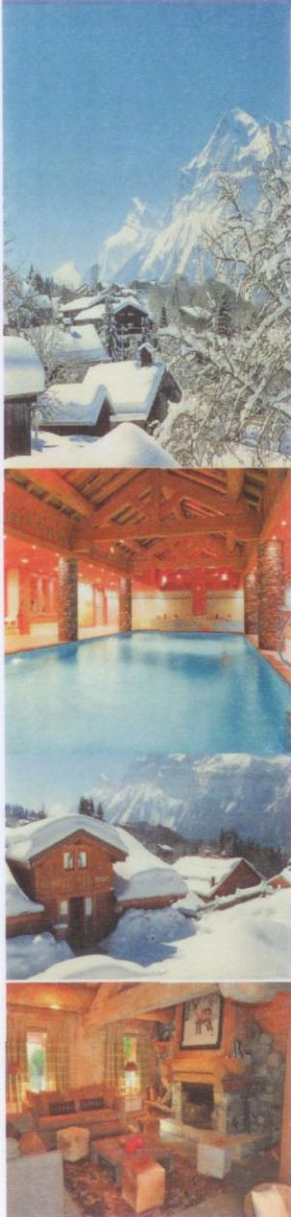
Number of apartments	114
Number of opening weeks	27
Annual occupancy rate	79%
Winter occupancy rate	80%
Summer Occupancy rate	76%

✓ **Main indicators:**

Total Charges / Total turnover	47%
Total rent / Total turnover	41%
Charges + rent / Total turnover	87%

- Commercial performances are consistent with the level of the residences of this range
- Performance at risk due to :
 - An unstable economic and touristic environment
 - High level guaranteed rent
 - Introduction of competition in high end offer in Carroz

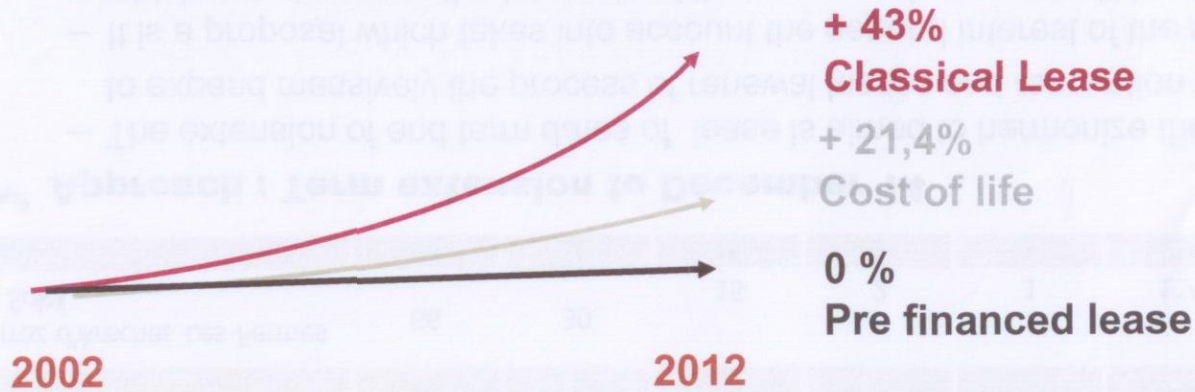
➔ **Considering those elements, Pierre et Vacances is still willing to maintain its presence in the high-end sector by sustaining the economical balance and management of the Fermes du Soleil Residence**



✓ **Leases :**

	Occupancy rights	%
With occupancy	Middle and /or low season	74%
Without occupancy	-	16%
Pre financed - with occupancy	High/medium/low season	10%

✓ **Investment : rent and profitability**



Initial profitability	4,5%
Final profitability	6,4%

Rent evolution	+ 43 %
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Average profitability	5,5%
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Investment : furnished rental

✓ **Leases termination schedule :**

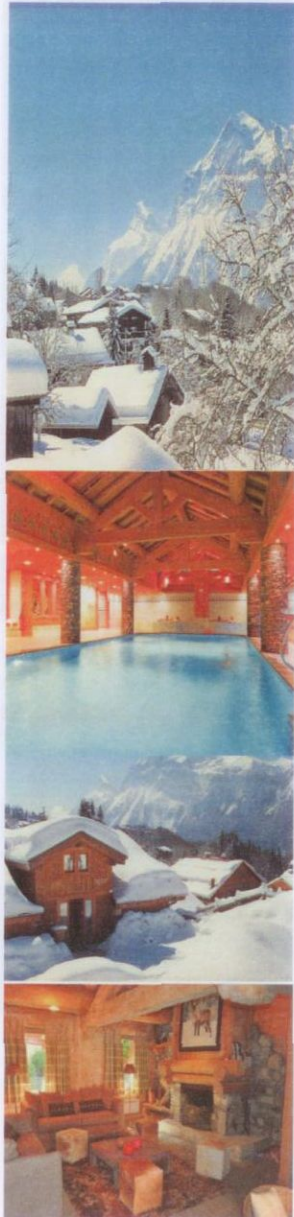
Residence	déc.-13	déc.-14	june 15	sept.-16	march 17	total
Carroz d'Araches Les Fermes du Soleil	66	30	15	2	1	114
Total	66	30	15	2	1	114

✓ **Approach : Term extension to December 14**

- The extension of end term dates of lease is aimed to harmonize the terms date and to expand massively the process of renewal leases and renovation work schedules.
- It is a proposal which takes into account the general interest of the residence and which not damages the interests of the owners whose rent will be revalued according to contractual indexation.
- For the owners after December 14 : respect of the lease terminations dates , with anticipation proposals in June 2015 for termination dates in September 2016 et march 3017

✓ **Proposal for the owner with a pre-financed lease :**

- Adjustment of the rent on the basis of the evolution of the cost of living since the lease beginning (~ 21,4 %, with retroactive effect for the owners having signed the amendment of extension)



Pierre et Vacances applies as a lessee candidate



Lease Termination



Proposal of a new contract

✓ **Approach :**

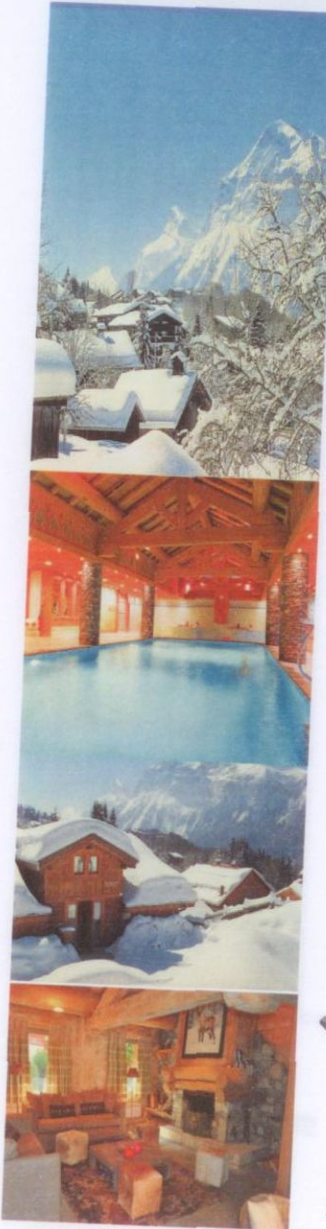
- Termination of the lease by Pierre et Vacances, 6 months before the end of the contract
- Planning :

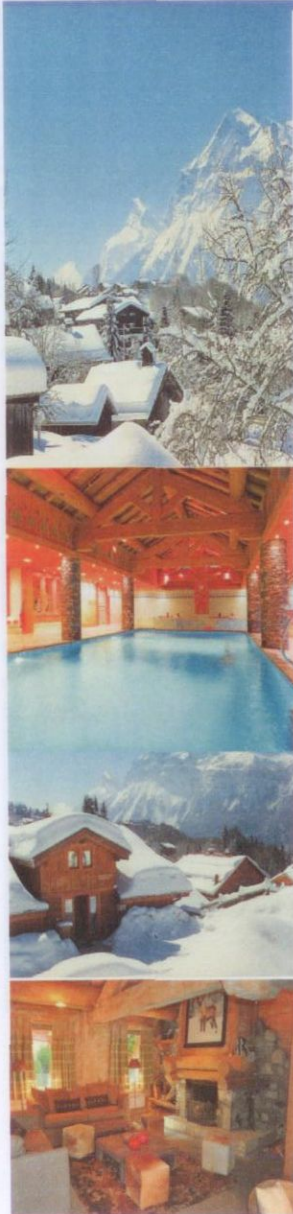
- | | |
|-------------------------------|-------------------------------------|
| • End of lease : December 14 | => termination notice : June 14 |
| • End of lease : June 15 | => termination notice : December 14 |
| • End of lease : September 16 | => termination notice : march 16 |

- ✗ - Termination notices will be delivered by a bailiff , according to the French law
- Scheduled date for sending the new lease proposals : 8 months before termination date (documents will be in French and English)
- No penalty will be asked , according to the agreements
- Owners can sign their lease up the day before the termination date , even if this is not optimum in terms of occupancy rights and visibility on the number of flats put in the offer.

✓ **Risk Management :**

- Due to economic balance and level of service, the lessee candidate will introduce a minimum level of apartments signed – rate not fixed as of today – in order to pursue the management of the Residence .





✓ **Length : 9 years + 9 months**

✓ **Rent :**

- Guaranteed during the lease
- Semester payment
- Rent indexed with the ICC rate , with a maximum of 3 % applied for increasing and decreasing rate

✓ **Sale of flat :**

- Sale is possible if the buyer pursues the lease
- Pierre et Vacances can provide assistance to the owner in the sale of its flat thanks to its subsidiary Pierre et Vacances Real Estate.
- Pierre et Vacances does not buy apartment

✓ **Condominium / Co-owned charges :**

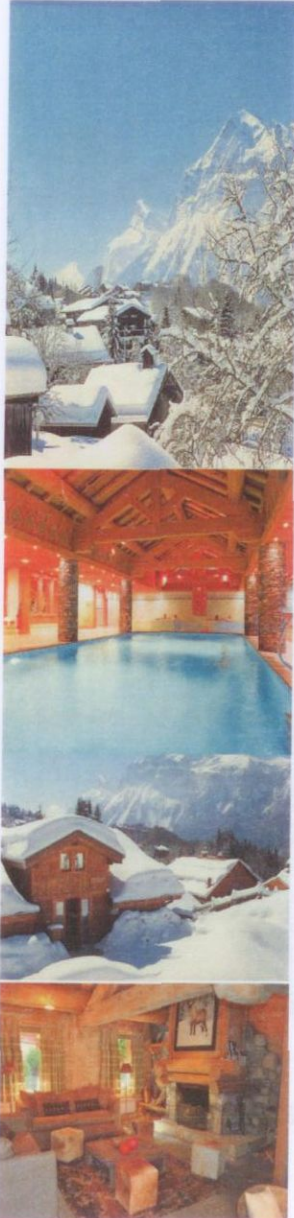
- Fixed charged amount par M2 is maintained - 23 euros /M2 or 15 euros /M2 depending on leases
- Charges resulting from work, funds for work and/or expenses of an extravagant nature approved by vote and pertaining to Article 606 of the Civil Code, or for security work or upgrades to meet standards required by legislation subsequent to the signing of this contract.

✓ **Maintenance of the apartment :**

- The lessee will keep the premises and furnishings in a proper state of repair for rental during the course of the lease.

✓ **Occupancy rights :**

- Lease will be proposed on the basis of the actual occupancy rights, the owner can personalize them
- Maintain of the structure of calendar (no Very High Season introduced)
- Possibility to change the occupancy rights every year
- Still access to the « Bourse d'échange »



✓ **Renovation work :**

- They are proposed with the acceptance of the new lease
- They represent the necessary counterparty of the commitment of guaranteed rent by the lessee during the lease
- They are fiscally deductible, VTA on works be reimbursed by Tax Authorities
- Payment of the works : in cash or by deduction of the rents via a banking partnership (SBE , subsidiary of the group Banques Populaires)
- Targeted period for the works : Autumn 2015
- Works ending scheduled : Winter 15/16
- The owner has the possibility to check and revise the quality of the work

The following elements are under review - not validated - PRECAUTION OF READING



✓ **Rent level :**

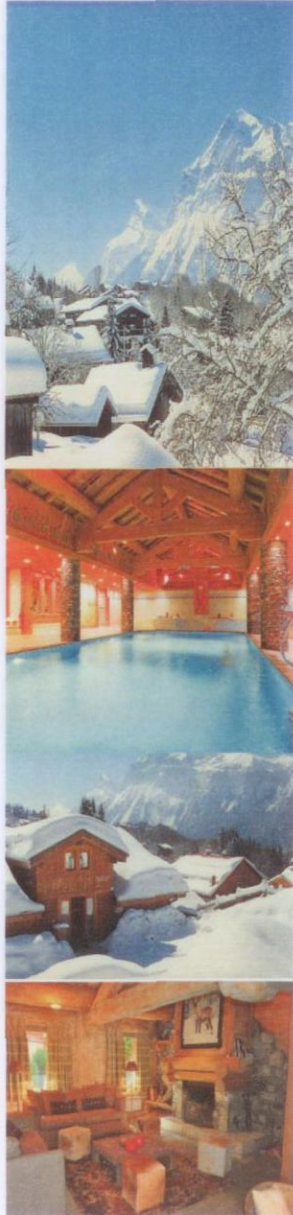
- Owners with a pre-financed rent : adjustment of the rent on the basis of the evolution of the cost of living since the lease beginning (~ 21,4 %, with retroactive effect for the owners having signed the amendment of extension)
- Owners with « classical lease » : guaranteed rent based between 100% and 80 % of the actual rent

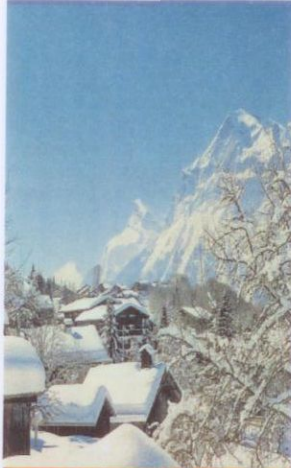
✓ **Level of renovation work : 2 average levels are under review by the brand and renovation department . These figures are the first appraisals.**

- Low option : average amount : 10/12 k€
- High option : average amount : 13/15 k€

✓ **Financing the renovation works :**

- 9 years lease with possibility to terminate the contract every 3 years => the owner pays the total amount of renovation work
- 9 years lease without termination possibility = > Pierre et Vacances takes to its account a part of the total renovation work amount.



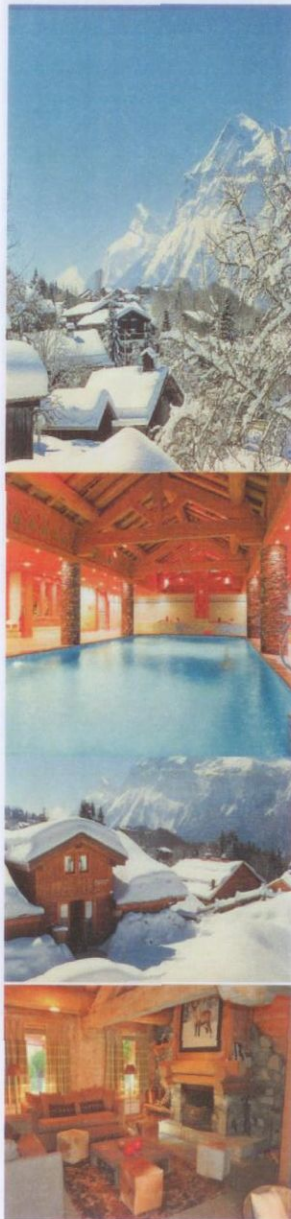


✓ Flat return :

- The Lessee return the apartment to the owner in a state of normal use , not in a brand new state.. At the end of the lease , a contradictory inventory of fixtures will intervene between the parties during which will be found the possible damages. In case of disagreement the lessor is free to make arbitrate the dispute.

✓ Use of the apartment within the Residence :

- Letter box : The Condominium Association (Syndicat) has to decide on the installation of the letter boxes. It has to be voted during the General Assembly . Installation charges are under Condominium responsibilities Syndicat.
- Individual meter of electricity and water : The Condominium Association (Syndicat) has to decide during the General Assembly, under votes, the installation of individual meters . A « tantieme » repartition can also be an option.
- Phone / internet : Phone and internet are not managed at Condominium Association level . The installation is relevant to each owner , and can be installed by the « traditional owner » at his expenses
- Access to the apartment : 365 days par year as for any « traditional owner », without access to the residence services (keys end over, apartment maintenance,...)
- Condominium charges: 100 % for the owner - example for a “3pièces 6” : 2700 euros /year
- Insurance : the owner has to subscribe an insurance
- Access to swimming pool: two options, in dialogue with the owners, will be studied:
 1. Preservation of the current system with free access for the owners with lease , and management of the accesses for the traditional owners (fixed rate, paid by entry,...)
 2. Retrocession of the swimming pool to the co-ownership, with transfer of the contract of service to the Syndicate and free access to all the owners



✓ **New Lease:**

- Taxes to Lessor :
 - « Taxe foncière » : ~ 650 €
- Taxes to lessee :
 - « Taxes d'ordure ménagères » (on demand) : ~ 100 €
 - « Taxe professionnelle » : ~ 700 €
- No return of the advance on VAT
- Renovation works :
 - VAT reimbursement
 - Imputation of the works on the BIC tax form : creation of deficits

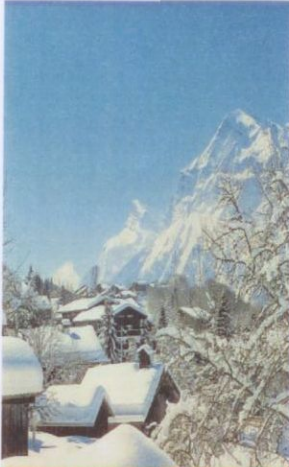
✓ **Traditional ownership :**

- Taxes to Lessor :
 - Taxe foncière : ~ 650 €
 - Taxe d'habitation : ~ 700 €
- On demand on tax authorities : return of VAT according to "prorata temporis" (9/20) : ~ 10 000 euros

€4,000

condo charges 2,700.

NB : Estimation des données sur la base d'un 3 pièces 6 personnes



✓ **Dedicated team :**

– In the Residence : Sylvie Guillemot

– In Paris :

- Your account contact : Julien Paboeuf
- Responsable « Lease department » : Florence Thibault
- Managing Director of Owners Lessors Department : Frédéric Perey

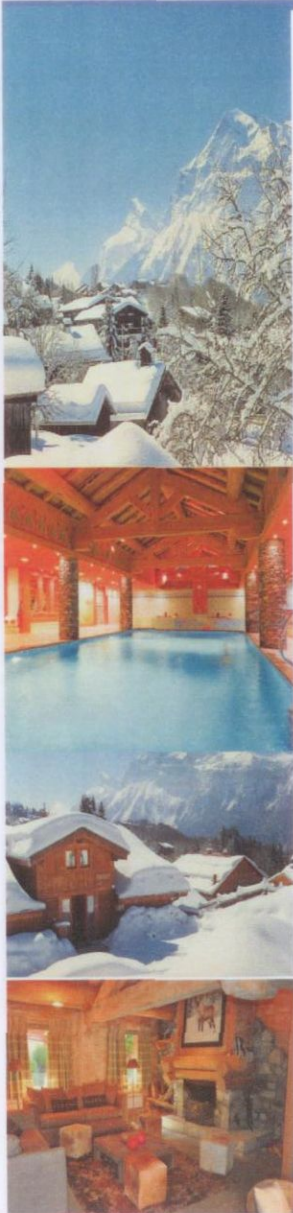
– Contacts :

- Email : pvt.baux@fr.groupepvcp.com
- Phone : + 33 1 58 21 55 65

✓ **Dedicated Reservation On Line Site to reserve your stays and your exchanges**

<http://proprietaire.groupepvcp.com>

✓ **Creation of a specific internet site for the lease campaign in 2014 is under investigation**



✓ « Liberté 5 » Formula

✓ Duration : 1 year, renewable

✓ How it works :

- The owner leaves 5 weeks each year to Pierre & Vacances in exchange of payment of current condominium annual charges
- Those 5 weeks are : 2 High weeks in Winter
3 Middle weeks in Winter
- Beyond the 5 weeks, the owner can stay in his flat.
- The owner has the possibility to let another weeks, which are paid at the level of 60% of public Price List if the week is effectively rented

✓ Fiscality : Obligation of furnished rent

✓ This contract will be only proposed as an alternative to the lease

✓ White periods: stays, during closing periods

✓ How to book :

- The booking must be done directly to the site at the following number : 00 33 4 50 90 64 00
- In order to arrange the preparation of the apartment, we kindly ask you to make your request before, at the latest, 15 days before the stay.

✓ Preparation of the apartment :

- During your stay, the following prestations are furnished : cleaned apartment, bedsheets and towels, cleaning kit.

✓ Keys delivery:

- The apartment will be let opened with keys inside. In order to make easier the organisation of the stay, we advise you to contact the residence to communicate your hour of approximative arrival.

✓ Fare : depend on the duration and the type apartment