

Rental Program CHUKUM LAGOON FAQ

What is HMS Rental Program?

Hospitality Management Solutions Corp (HMS) is a comprehensive business group with a presence in several countries in Latin America. Under a single company and its various brands, it offers property owners the services of condominium management and rental pool/program operation. Here are some frequently asked questions and their related answers regarding the HMS Rental Program: It is a service that offers property owners the opportunity to rent their properties for short, medium, or long durations. It involves making properties available for rent to both local and international audiences, managed by HMS under its brands, Mint Hotels & Residences and Homebelike. Owners sign individual marketing, management, and supervision agreements with HMS, where both parties have specific duties and responsibilities.

What are the owner's responsibilities?

The owner's responsibilities include:

- Electricity, Cable TV, and Internet costs
- Condominium maintenance fee
- Banking expenses
- Amenities and consumables during occupancy
- The property must comply with the furnishing and equipment standards defined by the brand

What are HMS's responsibilities?

HMS is responsible for marketing, public relations, sales, and reservations. All of this is supported by our local sales team and office, as well as various sales/public relations offices representing us in the USA, South America, Central America, and Europe. Guests receive services and complementary offers (excursions, airport transfers, etc.) before their arrival, during their stay, and after their departure. HMS also supervises operational staff and assumes expenses related to property promotion and operation.

Won't my electricity bill be too high?

The cost of electricity is included in the projected rates/costs, and the profit margin covers this expense during occupancy. HMS staff is trained to encourage energy savings without affecting the guest's experience.

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What if I want to use a week that was planned for rent?

Owners can use their unit as many times as they wish, provided it is available for use. If there is a confirmed reservation for your unit on the requested date, the owner must respect it and make use of any other available date.

¿Hay temporadas donde no podrán ser flexibles?

Como todo producto a la venta de terceros, recomendamos que debe estar disponible para las fechas de alto consumo, sino los clientes se acostumbrarán a no encontrar disponibilidad y así preferir otros destinos. Es recomendable que el propietario no use su unidad en las siguientes fechas: del 20 de Diciembre hasta el 4 de Enero de cada año, B) Thanksgiving, C) Semana Santa, D) Fines de semanas largos.

Do I have to ensure property cleanliness when renting?

HMS takes care of property security and cleaning before and after each occupancy. Before guest arrival, **HMS** performs a detailed inspection of the property, ensuring cleanliness standards and providing amenities for guests during the stay (shampoo, conditioner, bath gel, welcome kit, toilet paper, fresh towels, etc.) Similarly after the stays, we leave the apartment completely ready for the next occupants, regardless of whether its guests of property owners. In some special circumstances, the operators of our hotel-oriented brand Mint Hotels & Residences will standardize daily cleanings

What benefit does the owner get from being part of the Rental Program?

By joining the Rental Program, owners exchange the occupancy of their property to receive rental income that generally covers maintenance expenses and generates good profitability. This fact, plus the cost of maintaining the units, becomes a powerful reason for many owners to be interested in obtaining benefits from the rental program based on the rent of their property. They can also enjoy discounts on other **HMS** properties and participate in property exchange programs.

Is there a maximum number of guests allowed per occupancy?

Yes, the number of allowed guests varies depending on the number of rooms in the units to maintain exclusivity and the good condition of the properties.

What about the care of my belongings?

HMS guarantees the care of the property and takes measures to prevent damage. In case of significant losses or breakages, a charge is made to the guest

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Who is responsible for any damage to my inventory?

HMS is responsible for ensuring the care and integrity of the property, avoiding situations by exhausting security steps, such as: inspection of the property before occupancy, reservation registration signed by the guest, in cases where it is permitted. A hold is placed on the credit card for damages, inspection upon departure of the guest, etc. We recommend not having high value items within the occupations such as valuable paintings and decorations. Obviously, there are items that, due to their mobility characteristics and minimum value, are understood to be easy to lose or break, which are considered costs of the operation. In the event of larger losses or breakages, the guest will be charged.

How is the profit split between the owner and HMS?

1. Profit Sharing: The owner receives 80% of the profits generated by the rental fee after deducting taxes, variable/banking expenses, and commissions paid to intermediaries such as travel agencies, tour operators, and online platforms. HMS retains 20% of the profits generated by the rental fee after the same deductions mentioned above as fees for its management.
2. Monthly Report: At the end of each month, a reconciliation of operations for the month is conducted. At this time, a detailed report of occupancies and income generated during that month is prepared.
3. Payment Period: The profits generated must be paid to the owner and HMS within 15 days after the end of the month. This ensures that both parties receive their respective shares in a reasonable time.
4. Individual Contract: Each participating owner in this program signs an individual contract with HMS. This contract establishes the rules, duties, and benefits of both parties.
5. No Formation of Joint Venture or Partnership: The agreement makes it clear that this relationship should not be interpreted as the formation of a joint venture or partnership between the signing owner and HMS. In other words, both parties maintain their legal independence and are not creating a joint business entity.

Does HMS guarantee occupancy and profitability levels?

HMS does not guarantee occupancy and profitability levels since establishing a hotel product takes time (12-18 months is the industry standard and average). However, the program can help cover the monthly expenses of the properties and generally produce attractive profits. For more information about hotel occupancy, please visit the official website (<https://situr.mitur.gob.do/ocupacion-hotelera/>) for hotel occupancy measured by the Ministry of Tourism Dominican Republic and filter for the hotel's area (Bavaro-Punta Cana) to see up-to-date hotel occupancy.

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Conclusion

In summary, the HMS Rental Program offers property owners the opportunity to generate income by renting their properties, with a clearly defined division of benefits and responsibilities between the owner and HMS. For more information, you can visit the HMS Group and its various brands' website: www.hms.do, www.homebelike.com, and www.minthotelsresidences.com.

The most interesting thing of all is that participating in the program does not generate unnecessary costs or restrictions. Without rent, there are no expenses. The only cost for the owner is the electricity rate and it only applies when there is occupancy, which also brings with it an involved income. It's that simple. Today we are proud to express that our established income programs work successfully and have generated tangible results in the short to medium term. To achieve the best results, initial support is needed from both the owner and our company.

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