

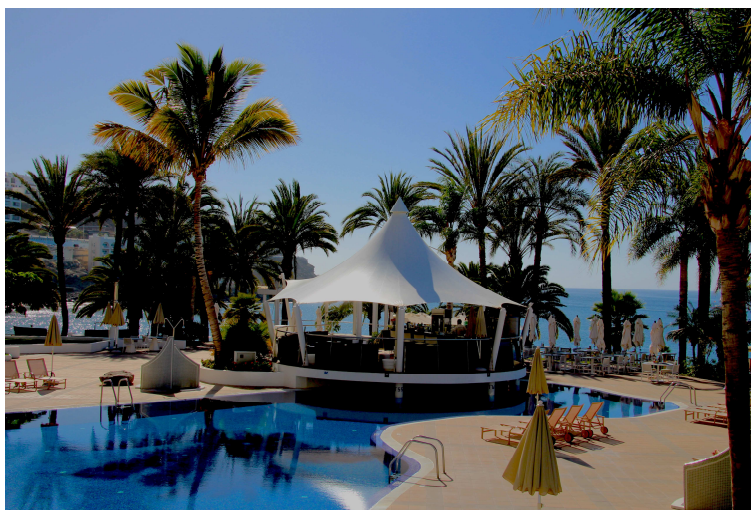
La Canaria News Letter # 11

Dear owners

Information meeting and owners cocktail

An information meeting for owners will be held on Wednesday November 21st at 17.00 hours in conference room 1st floor in La Canaria.

At 18.00 all owners with families and friends are invited to a cocktail party in the pool area.



Ordinary Owners' Meeting 2019

The ordinary owners' meeting for 2019 will be held on April 25th 2019 in conference room 1st floor in La Canaria.

La Canaria Hotel Operation - key figures

The Canary Islands experienced a 3% decrease in number of tourists in Jan-Aug compared to the record high figures of 2017. This is partly due to the comeback of competing destinations like Egypt and Turkey. It was also an exceptionally good summer in Scandinavia. The decrease became challenging for us having no guaranties with tour operators, like e.g. RIU Hotels have with TUI.

The total revenue of our hotel was 9,473,000€ YTD (incl. August). This is 467,000€ behind budget and 411,000€ behind last year. However, the costs are reduced in the same period. The operating profit YTD is 872,000€ which is 88,000€ ahead of budget and 7.000€ ahead of last year.

The total occupancy is 76,4% YTD compared to a budgeted 83,4 and last year 81,7%.

New operator of Spa

The SPA can now be more integrated in the hotel operation. The continuation of spa services is secured by a one year contract with SPA-In, the same spa operator as in Radisson Blu Mogan. After an evaluation period, the hotel operation will decide how to operate the SPA activities to the best of hotel guests and owners.

Tennis court upgraded

The tennis court has been renewed and appears as new. See picture below ☺



Cluster agreement renewed

The cluster agreement implies the sharing of management costs between our hotel and Radisson Blu in Mogan. The agreement has been working for 2 years to the satisfaction of both parties. The workload for the managers in question have been analyzed and the parties have agreed on a fair sharing. Our share have increased, but the cluster contract is still beneficial for us giving significant cost savings.

Costas follow-up

The board are pursuing two main issues in relation to the Costas concession. One is the annual fee of the concession granted. In this respect we challenge the value of land and calculations done. We are also seeking co-operation with other resorts in the area to develop a common strategy for getting a reduced fee.

The other issue is to progress plans for rebuilding the restaurant outside the West gate. It will probably take longer time than first thought to get this resolved.

Walls and curtains

The walls by the beach have been repaired and painted (see picture). This upgrading has been awaited for years, and now done by La Canaria Hotel Operation. All rooms at the hotel will have new sheer curtains by the end of this year.

**Dates for next meetings:**

November 20th, board meeting 10am

November 21th, information meeting and owners cocktail

November 22th, excursion for owners with their families and friends.

February 12th 2019, board meeting

April 25th 2019, Ordinary Owners' Meeting (OOM)

On behalf of the board, October 22nd 2018

Nils Willy Gulhaugen

President of La Canaria Community