

La Canaria News Letter # 13

Dear owners,

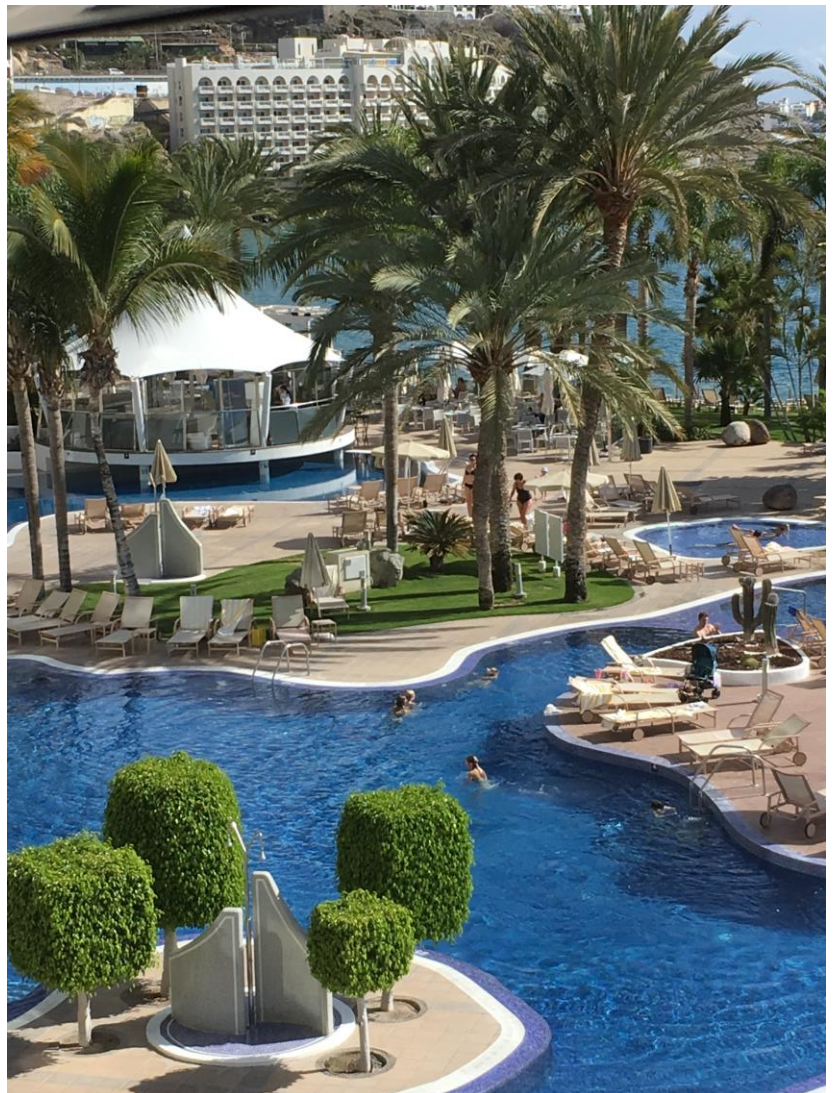
La Canaria Hotel Operation - key figures 2018

The total operating revenue of our hotel was 13,933,000€. This is 666,000€ behind budget and 810,000€ behind last year (2017). However, the costs are reduced in the same period. The operating profit is 1,259,000€ which is 16,000€ behind budget and 49,000€ behind last year.

The total occupancy rate is 76,1% in 2018 compared to a budgeted rate of 83,4% and last year rate of 81,3%.

The financial situation in LCHO is good and the funds are kept in the company's bank accounts.

The advisory board is of the opinion that the profit should be retained in the company for payment of commercial sections, the higher annual fee in the new Costas concession and other unbudgeted costs, commitments on maintenance of the resort which are increasing. Moreover, the income of the hotel operation is unpredictable and may vary over time and retaining a buffer as a contingency is recommended.



Costas follow-up

The board are pursuing two main issues in relation to the Costas.

First, the board is seeking to obtain a reduction of annual fee of the concession where we are challenging the value of land and calculations done. This is a formal and legal process which will take time.

The second issue is the permission to rebuild the beach restaurant which had to be closed and completely demolished in order to get the new concession. Due to the complexity of local regulations and approval procedures, this is also likely to take time. But it is seen as a project of great importance for the owners and the quality of our resort.

The board have engaged qualified lawyers to assist in solving these issues, among them is Alejandro Hernández del Castillo in Malaga who assisted LCHO in getting the new concession.

Montsemar Beach Restaurant takes LCHO to court.

The operators of previous Montsemar Beach Restaurant, which was outside our West gate, are suing La Canaria Hotel Operation for 522,000€. The reason is the discontinuation of the contract between the parties due to the closing and demolition of the restaurant in connection with the new concession. LCHO have hired the lawyer Alejandro Hernández del Castillo in Malaga who has the best qualifications and he is familiar with our situation.

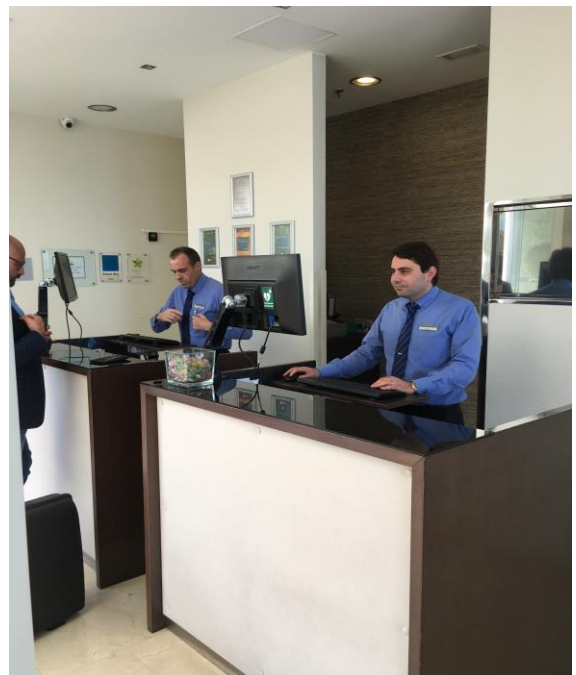
New routines for sports area from March 1st

From March 1st the sports area and tennis court will be managed by Radisson. All reservations must be done by contacting front office/reception.

The rate for owners will be 14€ per hour. The hotel operation has a cooperation with a new tennis teacher named Jordi. Owners price per hour, including teacher, will be 35€.

Owners have special discounts on room reservations

The hotel reminds all owners of the special price for owners who connect customers to the hotel and sell rooms to family, friends and acquaintances. The special discount is 25% in high season and 50% in low season. Low season is May, June and September. Please contact reservation department for bookings.



Fire blankets

A fire blanket will be installed in all kitchens because it is a requirement from tour operators. It is in a 15 by 25 cm plastic box mounted on the inside of the cabinet door under the sink.

A small label of 5 by 2,5 cm will be pasted on the outside of the cabinet door.



FIREPROOF BLANKET
MANTA IGNÍFUGA

Repairing the walkway towards Anfi

The board have approved to upgrade the promenade by straightening holes on the walkway between La Canaria and Anfi del Mar, in front of Montemarina. It is planned to be a joint project with Montemarina.

Would you like to work in the board of La Canaria Community?

The board is elected by and among the owners. Election takes place at the annual, ordinary owners meeting. The board consist of five board members, one of which is the president. In addition there are three deputies. The board members serve for two years, the president serves for one year, deputies also for one year.

On next OOM in April, three of the five board members are up for election. These are Axel Krogvig, Barbara Lehner and John Vemmestad. They are all willing to continue, but make their place available for eventual new candidates elected by the owners. The president position and the deputies are all elected for one year.

If you are interested and motivated to work on the board, please contact the president of the community Nils Willy Gulhaugen, mail: nw@gulhaugen.no or the secretary Øystein Eide, mail: la-canariacommunity@gmail.com.

Candidates should have relevant competence and experience. However, availability and motivation are also important criteria for candidates.

Ordinary Owners Meeting (OOM) in La Canaria April

Ordinary Owners Meeting (OOM) will be held in La Canaria on April 25th at 10.00 hours. Documentation will be sent out to all owners between March 11th and 26th according to the Articles of Association of La Canaria Community.

Dates for next meetings:

April 24th 2019, Board meeting LCC and Advisory Board Meeting LCHO

April 25th 2019, Ordinary Owners Meeting will be held in the conference room in La Canaria, 1st floor . An information meeting on La Canaria Hotel Operation will be held right after the OOM in LCC.

The traditional owners cocktail will take place in the pool bar area from 18.00.

On behalf of the board, February 21th 2019

Nils Willy Gulhaugen

President of La Canaria Community