

## La Canaria News Letter #2



**Dear owners**

**The board of La Canaria Community had another meeting on 7. March. Several issues were on the agenda, and our work is characterized by progress and a good atmosphere.**

One of the issues was a presentation of the current organization between La Canaria Community (LCC) and La Canaria Hotel Operation (LCHO). That included the legal aspects of the setup in relation to Spanish law. The former administrator of LCHO, Pablo de la Vega participated. So did our new administrator Diego Lopez Galan - and lawyer Pino Kyri Lozano.



**Diego Lopez Galan** (45) is the new administrator of LCHO. He is a Spanish lawyer with expertise in tax law and international investments. Lopez Galan also works as a professor of Escoex Centre in Las Palmas (University and Wales). His main tasks in LCHO will be to take care of all formalities towards the Spanish authorities and others, and to ensure that LCHO operates in accordance with Spanish law. We look forward to work closely with Diego in the future.

### **The Costas concession**

On request LCHO made a complete application to Spanish Costal Authority's (Costas) for a new lease of outdoor areas in front of our hotel. The application was submitted on 16. January 2017. **It is applied for a 50 years concession.** We have been informed that the processing time for our application is maximum six months. That means we can expect a reply on the matter within 16 July 2017.

### **Status of hotel operations**

Raddison BLU is, as everyone knows, the operator of our hotel through a management agreement with our hotel operation company LCHO.

In 2016 the LCHO had an operating profit after tax of EUR 1.119 million. This result is EUR 408,000 above budget due to higher total operating revenue from apartments in the rental pool. **The average occupancy in 2016 was 83.2 percent, including owners occupancy.**

The result for January and February 2017 is also over budget. Hotel manager Finn Berstad says he expects high occupancy and good economy also in 2017.

The Board emphasizes that the revenues for LCHO is fully dependent on the owners having their apartments in the rental pool.

### **Articles and organization**

The Board of LCC has now started work on updating the articles in LCC and LCHO. This is done to meet the provisions of Spanish law, and any other changes which the Board believes are needed to be done. This process will take several months. Any amendments will be submitted to the owners for final decision.

The Board is also working to evaluate the organization of both LCC and LCHO. Any amendment of this process will also be submitted to the owners for final decision.

### **New service office for owners**

Close contact with the owners is given high priority by the new board. We know that many owners have missed a permanent service office where they can get in touch with the community. The board has worked to resolve this. Now when all apartments are sold, we do not have the same need as before for a sales office in house. The board has therefore decided to establish an owners service office where the sales office is today. Jan Haugland will still have a connection to the same office area. **The new service office will be in operation from 1. May and our employed secretary Øystein Eide will work from there.** Øystein is a resource for all owners when taking care of practical things in our apartments. We also want to increase the tour activity where Øystein is our experienced guide.

As you know, you can submit questions or suggestions directly to each board member or to Øystein. Any issue will be dealt with and, if necessary, discussed with hotel manager Finn Berstad. Feedback will be given personally or through another information channel we use.

**Next board meeting in La Canaria Community is 20. April 2017.** All board meetings are held in La Canaria and those board members or deputies who cannot attend, they participate via skype.

We wish you all a nice springtime, whether you are in our wonderful resort La Canaria or at home.

**On behalf of the board, 15. March 2017**

**Nils Willy Gulhaugen**

**President of La Canaria Community**