

La Canaria Newsletter #15

Dear owners



Financial status and key figures La Canaria Hotel Operation, LCHO

The tourist business situation on the Canary Islands are challenging these days. The bankruptcy of Thomas Cook Group affects part of the tourist industry heavily. Our hotel is so far not seriously affected since our customer, Thomas Cook Northern Europe AB (Ving), is attempting to continue its operations despite bankruptcy of the ultimate parent.

Our challenge, however, has been the high pressure on prices this year due to the decrease in number of tourists to the Canary Islands. We have been able to keep a high occupancy rate, but with lower prices on accommodation.

The key figures, year to date, of hotel operation is as follows:

(1,000€)	Actual YTD (August)	Budget (August)	Variance
Rooms revenue	5,672	6324	-652
Total operating revenue	8,978	9,689	-711
Net income before owners cost center and tax	646	855	-209

Occupancy (with owners)	79,8%	78,8%
Occupancy (without owners)	52,6%	50,6%
Actual room rate € (without owners)	234,7	272,12

Investments and maintenance projects

Naturally, the need for maintenance projects increases as the building gets older. The advisory board of LCHO updates the investment/maintenance plan regularly.

From time to time it is necessary to do maintenance work in apartments during owners occupancy period. In such cases the reception will ask for owners approval before any access is given. The owners flexibility will be appreciated in these cases.

Several maintenance and improvement projects in apartments and common areas are going on in our resort now. The intention is to reduce disturbances by the end of October.

- Wooden roof on the terraces are being treated with fire resistant paint according to requirements from Bureau Veritas in 2018.
- Wooden balcony hand rails are being polished and oiled. The rails are dismantled and taken to a workshop for treatment.
- Bathroom fixtures are being changed for new and more appropriate equipment.
- Additional fire doors are under construction in all hallways on all floors. The approved investment decision is based on a requirement from major British tour operator who intends to do significant bookings from next year, especially in lower season.

Walkway towards Anfi has been improved

The surface of the walkway between La Canaria and Anfi del Mar has been improved by filling the holes on promenade with cement. The work was done on September 24th, and the costs have been split between Montemarina and ourselves.



Updated “House rules”

On our Ordinary Owners meeting in April this year the new “House rules” was approved. You can study the updated version on the last page in this newsletter.

Next meetings:

November 13th 2019, Board meeting LCC and Advisory board meeting LCHO

November 15th 2019, Information meeting for apartment owners 5pm to 6pm

November 15th 2019, Owners cocktail party with families and friends 6pm to 8pm

February 5th 2020, Board meeting LCC and Advisory board meeting LCHO

February 7th 2020, Information meeting for apartment owners and cocktail party

April 16th 2020, Board meeting LCC and Advisory board meeting LCHO

April 17th 2020, Annual Ordinary Owners Meeting 10am

April 17th 2020, Owners cocktail party 6pm to 8pm

On behalf of the board, October 16th 2019

Nils Willy Gulhaugen

President of La Canaria Community

House rules for owners, Radisson Blu Resort, Gran Canaria

The purpose of the house rules is to make all the facilities enjoyable for all apartment owners and hotel guests. Owners agree to/that:

- *follow the hotels instructions on owners calendar to inform when your apartment will be in the rental pool.*
- *inform the reception of the name of all guests staying in your apartment, - for safety reasons.*
- *apartment owners have, during their period of occupancy, free access to the common facilities and areas.*
- *storage rooms and parking spaces are reserved for apartment owners in La Canaria and the hotel operation. Sale or letting of these sections to external owners should be avoided.*
- *maintenance costs in apartments rented out more than 50% per year are covered by the hotel operation.*
- *Replacement of original furniture is covered by the hotel operation if the apartment is rented out more than 50% of the year. Hotel operations decide when replacement is necessary.*
- *the hotel is not responsible for owners' private items. Designated safe deposit boxes in your apartment should be used to ensure the safety of your valuables.*
- *decorating balconies with flowers and plants is to be kept to a minimum. When the apartment is rented out, all such items need to be removed. Failure to do so will result in the hotel moving them at the owner's cost.*
- *the usage of parasols on balconies is not allowed. It is not permitted to erect sun screens/umbrellas, to use parabolic antennae, or to use terraces/common parts for storage purposes.*
- *only electric barbecues are permitted on the terraces. The barbecues must be stored away by the owner when the apartment is in the rental pool.*
- *all garbage shall be disposed in the designated waste rooms located on each floor of the hotel.*
- *wet towels and clothes should be dried using the apartments' clotheslines or dryer and not over the balconies' handrails.*
- *private belongings are stowed away in storage rooms when departing. The hotel will not assume any responsibility for personal items lost or damaged when the apartment is let.*
- *pay outstanding costs on or prior to check out.*

These rules have been adopted and approved by the Ordinary Owners meeting (OOM) of La Canaria Community (LCC) on April 25th, 2019. They are referred to as "House rules" in LCC's Articles of Association, article 5-9.