

January 2019

Dear Holiday Owner,

It is my pleasure to present the 2019 Winter Newsletter from Marriott's Playa Andaluza. In this issue, you'll learn about the latest developments taking place at your home away from home in Costa del Sol, Spain.

Best regards,

Wiel Gooren
General Manager

Winter Newsletter January 2019

Introduction from the Chairman of the Advisory Board of Directors.

Dear Marriott's Playa Andaluza Owner,

Maintenance Fee 2019

By the time you read this Newsletter you will have received your annual invoice for the Maintenance Fee and I want to take this opportunity to explain the increase for 2019 of 8.17%. At the October 2018 Board Meeting, the Board was more than taken aback by the size of the proposed increase with which we were presented and having explored avenues to mitigate the increase regrettably saw no means to do so. Those of you who were at the Open Forum following the Board Meeting will recall us advising that due to the sensitivity of the issue involved we were unable to disclose the reason for the large increase and asked those present to bear with us. As a Board we were put in an exceedingly difficult position and I hope that when you read what follows you will understand the sensitivity to which we referred at the time.

Article 5.3.3 of your Holiday Ownership Purchase Agreement (HOPA) defines the formula by which the Maintenance Fee may be increased annually including an allowance for unforeseen non-manageable costs. For 2019 the breakdown of the increase is as follows:

Budget 2019			
	HOA Defined:	2017 /2018 Var	Calculation
1/3	Sub-group of Tourism services	1.60%	0.53%
2/3	General IPC as per Hostelry bargaining agreement	3.00%	2.00%
		Allowable Increase	2.53%
	Manageable variances		-0.13%
		Net Allowable Increase	2.40%
	Non-Manageable Costs:		
	Property taxes		-0.01%
	Local taxes		0.00%
	Insurance		-0.04%
	Utility rate		-0.03%
	Housekeeping		5.83%
	Total Increase with Non-Manageable Costs:		8.17%

The reason for the increase in the Housekeeping costs at Playa Andaluza is related to the new Collective Bargaining Agreement (CBA) in place for the Province of Malaga.

The new CBA established that housekeepers working at a Hotel should be paid based on the Hospitality CBA regardless of whether they are employed directly by a Hotel or by an Outsource Company. In the past, Outsource Housekeepers were paid on a different Bargaining Agreement with a different payment scale.

During protracted national negotiations with the unions last year it was eventually decreed that personnel employed by outsourcing companies that are supplied to the hotel industry must be paid at the same rate as those employed directly by the hotel industry. This directive was eventually enshrined in Spanish law. Regrettably there was no attempt made to phase in the difference in the new CBA over say, a number of years with regard to hotel related staff pay. Instead the directive was issued to implement the change as a one-off transaction.

As the Playa Andaluza Housekeeping operation is serviced by an Outsource Company, this cost increase is recognised in the 2019 Budget. Marbella Resort was not affected by

this legislative change, as at this property the Housekeeping team is hired directly by the Hotel and the Hospitality CBA payment scale is already in place.

The 5.83% shown in the non-manageable cost section of the table above is the net effect on the per unit week cost of the increase in the Outsource Company Housekeeping service cost. To put this in context, without the exceptional one-off cost increase the Maintenance Fee increase would have been 2.33%.

The high increase in this year's Maintenance Fee can be put down solely to the one-off cost structure change in Housekeeping.

The entire scenario was outside management's control and following significant discussion with the Board we felt we had no option but to accept the proposal presented to us however reluctantly. When questioned how we should handle this issue since it is staff related and therefore extremely sensitive, **Management advised that background discussions with the outsource company were ongoing and were not common knowledge and requested that we keep the information regarding the Housekeeping personnel confidential.** Hence the sensitivity to which we referred at the Open Forum last October and the difficult position we were in at the time.

As Owners ourselves, the Board was sorry to have to accept the Maintenance Fee increased by so much this year but please be assured that the circumstances that prevailed and with which we were confronted were entirely beyond our control.

Reserve for Replacement Fund

In the last Newsletter I reported that we were planning to put forward a proposal to the Owners in General Assembly with a solution to avoid shortfalls in the Reserve for Replacement Fund beyond 2024.

In light of the Housekeeping issue and its impact on the 2019 Maintenance Fee, the Board felt it appropriate to postpone taking action on the Reserve Fund until this year. The plan now is to adopt the proposed action at our next Board meeting in April after which time notice for voting by all Owners on the proposal will be issued.

I wish you all a very Happy and Prosperous New Year and hope you enjoy your vacation at your home Resort.

There follows now the General Manager, Mr Wiel Gooren's Operations Update.

Thank you

Jan K de Vries

Chairman
For and on behalf of the Advisory Board of Directors

General Manager's Operations Update

Dear Holiday Owner,

As 2019 gets started, I would like to take this opportunity to thank you for your support and loyalty towards Marriott's Playa Andaluza and Marriott Vacations Worldwide over the past year. For many of us, the year brought its share of challenges; yet I am proud to share the team in Playa performed at exceptional levels with some outstanding results. Over the last twelve months, I had the opportunity to meet and speak with many of you and the feedback you provide is truly what inspires us to make the Resort the best it can be. Below, I have put together some highlights based upon your feedback, enquiries and comments that I hope you find helpful.

Concierge

As an Owner you may know the city of Granada is a must-see during your visit! Here you can find the "Alhambra," a perfectly preserved Mudejar gem and one of the most visited sights in Spain, declared part of the World Heritage by UNESCO. Due to the high demand for tickets, the new booking process requires reservations be made at least five days prior to the tour. The Concierge Desk can assist with making your reservation so you can enjoy this wonderful tour.

If you are interested in visiting Granada and the Alhambra Palace during your stay, please contact the Concierge Department at mpaconcierge@VacationClub.com or by phone at 0034 952 88 92 30. The desk can also assist with alternative tour options.

Activities

We have seen an increase of participation in activities at the Resort and we continually look for new opportunities to add to the activities programme each year. Last year we added beach volleyball, giant foot-darts and aqua-darts to the programme. The Activities team is busy crafting new activities for 2019 to improve our existing Activities programme.

We placed fully openable Lumon glass curtains in the Gazebo between the Almeria and Granada buildings to "extend" the season! This "new" area gives our Activities team more flexibility for additional outdoors activities. It's also a great place for reading a book or just for relaxing!



Don't forget our Activities programme is available at the Front Desk so visit us and learn more about the wide variety of

activities offered. In order to improve your vacation experience, feedback is very important to us and we listen to your suggestions during the classes, at the Owners' Cocktail and through the online Guest Satisfaction Survey questionnaire.

Engineering/Landscaping

Our annual maintenance programme will begin soon. During the next six months we will enter each apartment, on average 10 to 12 apartments per week, until April 2019. During this process, the apartments undergo the following work: curtains are dry-cleaned, all

electrical equipment is tested and maintained, painted and deep cleaned by Housekeeping.

We will continue to replace air conditioning units and in 2019, a new and more energy efficient model will be installed in the Almeria building. The new model was installed in Sevilla and Malaga buildings last year with great success.

Many Holiday Owners enquired about the maintenance schedule and how it impacts the facilities. The most updated schedule is available on the Playa Andaluz web page on MarriottVacationClub.com. You may also contact the Resort directly with any specific enquiry. As with any large complex, the schedule is subject to change at any time and dates may be moved and projects added. We do our utmost to minimise the impact on your stay.

Wi-Fi Coverage

You may have noticed Wi-Fi coverage in all pool and public areas. The demand for Wi-Fi coverage and overall usage has increased significantly over the years, a trend seen across the industry mainly due to the higher volume of devices used per person with an increased demand on bandwidth. To ensure everyone enjoys a stable internet service onsite, we are increasing the bandwidth from 5MB to 7MB.

Associate Engagement

For a second year in a row, the team engagement score for Marriott's Playa Andaluz ranked among the top in the Marriott Vacation Club portfolio. With a 95% overall score, it is evident we are doing "something right" and as many Owners tell us, it is like coming home! Keeping our Associates motivated and engaged truly makes a big difference and as we move into 2019, this will continue to be one of our top priorities. As Mr. Marriott has said repeatedly; "Take care of your Associates and they will take care of your guests. It's simple, but it works!"

Beach Towels

In an effort to reduce the loss of pool towels, we kindly ask Holiday Owners to return all pool towels daily to your room. If you need clean beach towels, please call At Your Service and we will exchange dirty pool towels for clean ones.

The Marketplace

The Marketplace is your 'convenience store around the corner' and is open 24 hours year-round¹, including Sundays and bank holidays, to help make your vacation easier by being able to buy your groceries at the Resort, even when you have a late arrival.

The Marketplace now offers a high-quality bread selection, all made using faithful and committed artisanal techniques. These breads are 100% natural and made with sourdough, which has undergone a long fermentation process for a fuller flavour.

Also, The Marketplace designed a fancy shopping bag which will not only help reduce the number of plastic bags used during your vacation but will also be a nice souvenir to take home. The recyclable bag will help to minimise the environmental impact.

Pizza Cucina

Pizza Cucina is your Take Away pizza at Playa Andaluz. We offer a concept that focuses on the art of making pizza by hand. Using a special blend of pizza and ciabatta doughs paired with a choice of meats, cheese and fresh toppings, each Pizza Cucina option is masterfully handcrafted in our kitchen.

In your apartment you will find a take-away menu for those evenings when you don't feel like cooking and prefer to enjoy your time with your family. There are always offers available at Pizza Cucina for you, please ask for available promotions when ordering.

Solera Restaurant

Chef Chapy and his team have worked on a concept to immerse you in a culinary experience through The Chef Table. It is a tailor-made menu for a maximum of six people. The menu concept is based on six steps of service, starting with a welcome cocktail and followed by a five-course tasting menu, where Chef Chapy and his team explain every detail of the product while you are enjoying each dish.

The Solera Pool Bar team noticed a growing trend across Owners towards healthier eating and drinking. Fruit is an essential part of a nutritious diet, and from Solera Pool Bar, we would like you and your family to keep healthy during your vacation. Our new smoothies fit perfectly with this trend as all are made with 100% fruit with no added sugar.

Spirit to Serve Events

Spirit to Serve is our social responsibility and community engagement programme and initiative at each Marriott Vacation Club Resort. The objective of the programme is to help make every community where Marriott Vacation Club has a presence, a better place to live and work.

Association of Volunteers for Children's Oncology ("AVOI") is an association of volunteers who help and support the oncology children's area in the Carlos Haya Hospital - Malaga (Spain). A charity football tournament for kids was hosted in Madrid on 15 April 2018 and AVOI Association raised funds for a kids' team to participate. The team that represented the AVOI Association included kids who already suffered a serious oncology illness and battled through to recovery. For them to participate in the tournament was a dream come true. The team played against some of the big national youth football teams, such as "Atletico de Madrid F.C." and "Malaga F.C.". In order to make the trip, players raised funds to cover their travel and accommodation expenses. Our Spirit to Serve programme helped to make their dream come true by donating €2,500.00 to this adventure. The donation was presented at the hospital and the AVOI volunteers kindly showed us the facilities and explained the importance of their day-to-day mission of helping and supporting kids in these circumstances. AVOI volunteers and the kids were so excited at the opportunity that they were given!

In April last year, Marriott's Playa Andaluza organised a blood drive – Owners, Associates, guests and local residents were given the opportunity to make a difference in our local community and donate blood to the 'Centro Regional de Transfusion Sanguínea y Banco Sectorial de Tejidos'. This association assists hospitals in the province of Malaga, which are in need of blood transfusions. Many came together to serve the community and it was a total success.

Ana Rivas, Guest Relations Manager, organised our 2018 charity paddle tournament in August for Holiday Owners and guests in an effort to raise funds for a charity organisation in our community. The tournament raised 600 Euros!

October was Breast Cancer Awareness month and Associates attended lectures to learn about this topic. Last year we partnered with Asociación para la Atención a Mujeres operadas de Cáncer de Mama ("ASAMMA"), a charity association which provides support to women or men affected by breast cancer. ASAMMA donated hand-crafted articles made by breast cancer patients to sell as a fundraiser and all were sold, raising 600.17 Euros.

Question and Answers

Many Owners ask for updates related to the beach situation due to the rocky surface in front of the Resort. We are in constant contact with the coastal authorities to obtain assistance in providing a quality beach. However, it is important to note that beaches in Spain are public beaches, which limits what we as operators may do to influence the

look and feel of the beach. During the spring months, we conduct a beach clean-up to create a great atmosphere for the summer season.

Why are the outdoor pools not heated?

Heating of pools is regulated by the Spanish law Regulation of Thermal Installations in Buildings (RITE). Only renewable energy sources, such as solar energy or waste, can be used to heat the water in open-air swimming pools. Conventional energy cannot be used. We researched options to heat one of our three outdoor pools with solar panels; however, the water temperature could not be higher than 22°C and the cost would be more than 50.000 Euros to implement. For these reasons, we don't have heated outdoor pools.

Why can I not get an early check-in even though I have notified the Resort in advance?

Check-in time is 4:00 p.m. While we encourage Owners to notify us of their arrival time, providing this information does not automatically guarantee a check-in prior to 4:00 p.m. We do our utmost to meet any early check-in requests as we know how important it is to get a great start on your holiday. Apartments will be released once all housekeeping and maintenance tasks have been completed. Availability of apartments also depends on when the prior Owner departs, maintenance work that may affect the entire building is complete and the number of other Owners who arrive early in the day. With occupancy ranging in the region of 90-95% on most weekends throughout the year, very few apartments are unoccupied from the previous night. We recommend all Holiday Owners plan around the 4:00 p.m. check-in time as only a limited number of apartments are available earlier.

Can I request a late check-out?

Check-out time is 10:00 a.m. and we kindly ask our Holiday Owners to plan their departure accordingly. We understand the predicament of having late flights and other travel arrangements which may impact departure. At the same time, a significant amount of time is required to prepare an apartment for arriving Holiday Owners. Because Marriott's Playa Andaluza runs one of the highest occupancies in the Marriott Vacation Club portfolio, late check-outs are normally very limited. As an alternative, we can assist you with storing your luggage so that you may enjoy the public facilities, including changing rooms, until your departure time.

Finally, I would like to thank every one of you who has taken the time to provide us with feedback regarding your stay. Your comments truly help us provide the services and amenities you expect and deserve as a Marriott Vacation Club Owner. We hope these updates get you excited about your next visit, and we appreciate your input regarding how we can enhance your experience when you arrive. So please take a moment to complete the online Guest Satisfaction Survey. We want your next stay with us to be your best ever!

For Holiday Owners who do not receive the Guest Satisfaction Survey as they have opted-out on receiving Marriott Vacation Club communications, TripAdvisor is another option. Marriott's Playa Andaluza still ranks as number 1 of all hotels and resorts in Estepona area on Trip Advisor.com.

Owner Services Information

Owner Services in Cork is available to assist with booking your holidays or with any other information regarding your membership. At the Resort Information Centre, a toll-free telephone is available for direct access to Owner Services or Owner Services may be contacted at:

Marriott Vacation Club Owner Services
Cork Airport Business Park
4700 Kinsale Road
Cork, Ireland
+353 21 730 4444
(Toll-free) +800 88 55 66 77
(Fax) +1 863 513 1948
Europe.services@VacationClub.com

On behalf of my entire team, I would like to wish you a wonderful winter season. We look forward to seeing you again soon at Marriott's Playa Andaluza.

Sincerely,

Wiel Gooren

General Manager
Marriott's Playa Andaluza

Times and days may change without prior notice.