

May 2018

Dear Marriott's Playa Andaluza Holiday Owner,

It is my pleasure to present the 2018 Spring 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

Spring Newsletter April/May 2018

Introduction from the Chairman of the Advisory Board of Directors.

Dear Marriott's Playa Andaluza Owner,

We had our Spring Board Meeting with the Resort Management on the 10th April at the Resort. At the Board meeting we received a report on the financial performance in 2017 and 2018 together with a detailed Operational Review of the Resort. More of this later.....

First of all I would like to talk about the Board of Directors itself and then about my personal experience of the new Marketplace earlier this year.

Advisory Board of Directors

I wish congratulate Mrs Sarah Bender and Mr Nigel Banbury on their election to the Board at the elections held in 2017 and to Mrs Kari Jones on her re-election. For Mrs Bender and Mr Banbury this April was their first Board Meeting. Also, I wish to thank most sincerely the long services of Mr Derek Portsmouth and Mr Michael Brooker who retired from the Board last October both of whom served for fourteen years. Mr Portsmouth became our first Chairman in 2003 and served as Chairman, Vice-Chairman and Member; Mr Brooker served both as Member and Vice-Chairman.

Mr Fabián Blanco Ortiz has been appointed Vice-Chairman for a period of two years with myself pleased to accept appointment as Chairman for a further two years. Following her re-election to the Board, Mrs Kari Jones has been re-appointed Secretary-Manager for three years.

A photograph of your new Board, taken just after the 10th April Board Meeting, is included below:



Nigel Fabián Sarah Jan Michael Kari Steve
Banbury Blanco Bender de Vries Oppenheimer Jones Swain

The Marketplace

My wife and I were at the Resort in January this year and despite the generally inclement weather experienced in Europe around that time we were very lucky with cool but uninterrupted sunshine throughout our stay. It was the first time we had experienced an “out of season” stay and I must say the Resort looked very good and in excellent condition. Solera Restaurant was closed for refurbishment during the winter break and with the Marketplace open twenty-four hours following completion of its redevelopment, meals were provided during the day at breakfast, lunch and dinner. We had dinner twice and the breakfast buffet on the day of our departure and whilst the menu is based on Solera it is restricted but nevertheless of very good quality. Service provision was also very good. I believe the Management team is to be commended for this innovation and enhancement to the Resort experience in the low season.

Turning back to the Board Meeting, we had a very constructive meeting with the Management team. The principal topics reviewed were the financial performance of 2017 and performance to date in 2018, an operational overview and Resort update, Reserve projects due in 2018 together with the results of the latest Reserve Study.

2017 ended with a creditable small surplus and 2018 is shaping up to record a similar result. The major topic of our deliberations with the Management Team both before the Board meeting and during the meeting itself concerned the Reserve for Replacement Fund and the means by which this fund is topped up annually via contributions within the Maintenance Fee.

You will recall in the last Newsletter I reported that the Board and Management were in discussions about solutions to resolve potential cash shortfalls for the future replacement of the Resort's Fixed Assets. These discussions are ongoing and I am pleased to report are drawing to a conclusion.

The latest Reserve Study by Rider Levett Bucknall (RLB) has been completed. This study is very detailed, comprehensive and indeed complex and encompasses replacement of the Resort's assets throughout its entire life to 2052 and takes account of MVCI's soft and hard furnishing replacement cycles of eight and sixteen years respectively plus IT and PBX equipment five-year replacement cycles together with the regular replacement of other assets in the intervening years. The study is necessarily a living document and will be subject to regular reviews. It is soundly based and forms the basis of the planned asset replacement schedule throughout the life of the Resort.

As I have highlighted previously and as our Auditors Deloitte continue to report "if the current level of contribution to the Reserve for Replacement Fund in the Maintenance Fee were to grow by inflation only there would be insufficient funds available to cover future expenses". This of course is related to annual increases in the Maintenance Fee allowed by the Holiday Owners Purchase Agreement (HOPA).

The RLB study has highlighted that the HOPA restriction on the increase to the Reserve Fund will lead to shortfalls in the Fund from 2024 onwards. This means that we have to take action now otherwise there will be insufficient funds available in five years time to perform the planned asset replacement of the Resort.

With this in mind Management brought forward certain proposals/scenarios to the Board as potential one-off solutions to avoid these future shortfalls in the Fund beyond 2024. On agreement with the Board the final proposal would be put to a vote by the Owners in General Assembly.

Following in-depth discussion with Management, the Board agreed in principle to go to General Assembly however, we required more time to refine the proposal to put to you. Once we have finalised our proposal the plan is to go to General Assembly by the end of June 2018. You will then be given the opportunity to vote on the solution agreed by your Board and Management on how to avoid future shortfalls in the Reserve for Replacement Fund.

I look forward to updating you on these issues in subsequent issues of the Newsletter.

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

Thank you, and enjoy your vacation.

Sincerely
Jan K de Vries
Chairman
For and on behalf of the Advisory Board of Directors

Operations Update by the General Manager May 2018

Dear Marriott's Playa Andaluza Owner,

Greetings from Marriott's Playa Andaluza – your home away from home at Costa del Sol. Spring and summer time in Estepona are truly an amazing. Perfect climate, sunny days and beautiful beaches make the perfect setting for your vacation. We look forward to welcoming you back to the resort, especially this year as the resort celebrates its 15th anniversary on July 4.

Front Office

Due to having very high occupancy during the summer and fall seasons, there is limited availability of apartments of different types; therefore, unfortunately it is not always possible to meet all requests. To avoid disappointment, please provide several options and we will do our very best to meet your request or find a possible alternative. We cannot guarantee any apartment allocation or specific apartment number.

As always, we aim to provide you a memorable vacation experience and focus on improving your service experience with the Reception Team. In 2018, we continue the successful Express Check-in service which provides a fast, easy and convenient check-in experience. Depending on apartment preferences and availability, you may receive your registration package and keys as soon as you arrive at the main gate at the resort. No need to stop by the Front Desk on check-in day. It is simple and easy and gets you on vacation faster than ever. Please don't forget to pass by Reception within 48-hours of arrival to provide us with your passport and credit card details.

Express Check-out service allows you to depart without having to stop by Reception. For your convenience, you will receive by email a statement of your account charges, including any final night charges. Simply review the charges and call "At Your Service" by dialling "0" on the phone from your apartment or reply to the email to let us know if you agree with the statement. Key cards may be left in your apartment. Simple, easy and fast! If we can be of any assistance before or during your stay, please don't hesitate to contact us, either by telephone, fax or email:

- Telephone: +34 95 288 9230
- Fax: +34 95 288 92 31
- Email: guest.playa@vacationclub.com

If you have any questions about tours, golf courses or local markets, our Concierge team is available daily to assist you and arrange tours and excursions. Contact the Concierge team by email at playa.concierge@vacationclub.com. We recommend booking activities early as many tours sell out in advance or have limited access like Alhambra in Granada.

Activities

Last year, around 30,000 Holiday Owners and guests participated in our activities. We see yearly increases of participation and how well the activities offered by our team are perceived by our Holiday Owners. In addition to the new fitness activities, we added new activities to create even more variety and availability, including a "New Games/Teens Room" with virtual game competitions. We continue to offer our most popular activities like aquafit, pilates, In-Trinity, and paella classes as well as the bird show on our schedule. Please review our Activities program available at the Front Office and learn more about the wide variety of activities offered. Feedback is very important to us and we listen to your suggestions during the classes, Owner's Cocktail and through the online Guest Satisfaction Survey questionnaire to improve your vacation experience during your stay in Playa Andaluza.

Engineering/Landscaping

Various projects are in progress such as installing new water boilers for the Granada Building and flat roof waterproofing all the buildings' roofs. Over the last few months, work was performed on the walkways and main entrance and broken tiles were replaced. New signage was added around the resort and an outdoor library to borrow books and leave books is available.



During the winter period, the large trees were pruned, some of which were blocking views. As the years pass and the trees grow taller, it gets more complicated to guide them in right direction. Lawns were overseeded this winter and produced a nice green lawn during the winter and spring periods.

Many Holiday Owners have 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 inquiry. 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 to your stay.

Beach Towels

In an effort to reduce the loss of beach towels, we kindly ask Holiday Owners to return all beach towels daily to your room. If you need clean beach towels, please call At Your Service and we will exchange dirty beach 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 offers a variety of products such as cold meats, cheeses, beverages, a wide range of wines, cereals, canned food, snacks, sweets and chocolates. You will also find books, newspapers, a large variety of souvenirs and accessories for the pool and beach.

Also new this year in the Marketplace, we offer Pizza Cucina, our new brand and concept that focuses on the art of making pizza by hand. Using an unexpected 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. This new process yields true artisanal pizzas that are perfectly imperfect. They feature uneven edges and other details that are hallmarks of a handcrafted product. Ask our staff for the special offers available for our Holiday Owners.



Solera Restaurant

The Solera team worked on a wonderful new wine selection for your appreciation. This selection brings you the real flavour of Spanish wines from Sierra de Málaga, Rioja, Ribera del Duero and more. All wineries chosen have something unique that makes the wine special. To accompany these great wines, our chefs improved recipes with more flavour. In addition, new seasonally dishes are being launched to provide even more variety to the menu. Take advantage of the Early Bird menu, and for only Euro 26.95, you can enjoy a delicious three-course meal of your choice from our "A la Carte" menu.

The Pool Bar team focused on increasing the quality and variety of the cocktails by the pool. This season, all frozen cocktails and virgin frozen cocktails are made with fresh fruit. Another new initiative this season is the introduction of shake cocktails and long drinks, combined during happy hour with the "Cocktail of the Day".

Spirit to Serve Events

Spirit to Serve is the name of our social responsibility and community engagement programmes and initiatives 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.

Last year Ana Rivas organized a charity paddle tournament in August for Holiday Owners and guests in an effort to raise funds for a charity organization in our community. This year we raised 744 Euros!

In Spain, October is the month of breast cancer awareness. The resort associates attend lectures to learn about this topic. This year we selected 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 bracelets with positive messages to use as a fundraiser and all were sold, raising Euro 190.

In November our sites participated and contributed to "Harvest for Hunger". Holiday Owners and associates collected non-perishable food items to donate to our local community food bank, which serves those who do not have sufficient resources or access to food. In total, we collected a record 1,100 kg. Thank you all for your support.

As a tradition in Spain on January 6th, the Three Wise Men come to deliver gifts to kids and adults, this is done during a big parade on this special day. This year we collected toys donated by our associates to give to the charity “Frente Bolillon” that delivered them to more than 400 kids in Estepona, Spain.

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) +1 407 529 2300
Europe.services@vacationclub.com

On behalf of the Resort team, we look forward to welcoming you back to beautiful Costa del Sol and to your home away from home – Marriott’s Playa Andaluza!

Sincerely,

Wiel Gooren
General Manager
Marriott’s Playa Andaluza

¹Times and days may change without prior notice.