



Calle Los Angeles s/n Planta BJ
Beverly Hills Heights
Los Cristianos
38650 Arona
S.C. TENERIFE
Canary Islands

Dear Owners,

I hope that this letter finds you and your family in good health.

As you can see in the call for the AGM to be held on the 1st May 2022, it is proposed to approve the 2021 financial year accounts and the 2022 budget. Explanations are in the booklet attached with the AGM call.

The other item on the agenda is in response to the request of one hundred owners to start the renovations of the apartments in the Community of Los Claveles. As you are already aware, and can see during your visits to the resort, there is a need for urgent and necessary refurbishment of furniture and the interiors of the apartments.

We have a significant increase in spending, with the previous year's decision to adopt a 50% maintenance fee discount scheme and the proportion of maintenance fees received by Club Los Claveles Ltd, which has not been passed to the Community of Los Claveles, along with other important increases in 2022 such as the cost of electricity and salaries, in line with legal requirements. Due to the current level of inflation that we are all experiencing, it has been decided not to propose a maintenance fee increase. For these reasons we propose a 5-year refurbishment plan.

For 2022 we propose a plan of refurbishment in 20 apartments, 15 from the Club system and 5 from the Escritura system. In these apartments, all the furniture, lighting, paintwork, doors, curtains and linen will be changed in its entirety, as well as the kitchen doors and kitchen appliances where necessary. In some of these 20 apartments, the floors have already been changed, so they will be left as is, and those with old floors will have them totally replaced.

Over the next few years an average of 20 apartments per year will be refurbished, which gives a proposed completion date of 2026. All owners can then benefit and enjoy modern comfortable accommodation.

The community have been asking for these refurbishments for some time as the furniture is over 25 years old and looking aged, as well as the interiors of the apartments. We need to undertake this refurbishment action plan to benefit each and every one of you, the owners.

For this year it is necessary to use part of the Reserve Fund, of which the balance is currently 864,231,00€ and the use of 245,000.00€ is proposed for your approval. The rest of the budget for the refurbishments will be provided by the rental income.

I would like to express that the refurbishment programme is to benefit all owners and obviously it will also improve the resort's rental income. Remember for every 1,000€ in rental income at Los Claveles, 850€ goes directly to the Community of Los Claveles, and WimPen receives 150€ to absorb the marketing and managing of these rentals. So the higher the rental income, the greater the benefit to the community, with this year's expectation being 400,000.00€ in rental income for the community.

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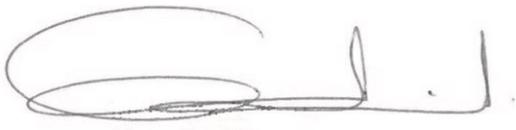
The style of the refurbishment to be used is that of the pilot apartment, which you have all seen, with some changes as requested by the owners to the colours and materials, which have been approved by the majority.

As I have previously expressed, it is time to build relations and come together as a community and not to continue with confrontations. The mission of WimPen, the President of the Association Mr Barrow, and the Owners' Representative Mr Lear is to work together and think of benefits to the community as a whole.

I want to reach out to everyone to request that you express your opinion at this AGM, so that the wishes of the majority can be reflected in the union of the community.

The ultimate goal in the management and administration of the Community of Claveles, is to better the resort on a day-to-day basis, to make your stay a happy one, where you are able to enjoy your holiday with family and friends and be secure in the knowledge of the continued financial viability of your resort. WimPen utilise all their years of experience in resort management and administration, so that you can be confident in using your vote and improving your resort.

Yours sincerely



Germán Castro

President of WimPen Leisure Management

