



Dear Members,

March 2016

We know that it is a while since we last updated you on the law suits to which Anfi has been subject – as we explained last summer, the situation is complicated and our legal team has been pursuing all legal avenues for clarification on the in-perpetuity contracts that offer clients a lifelong right to holiday at the resort.

Supreme Court ruling

Just to recap, there were two rulings by the Supreme Court last year 2015 in which two specific Anfi in-perpetuity contracts were declared null and void. These rulings surprised the timeshare industry and other public bodies such as the *Diputado del Común* (responsible for the defence of fundamental rights and freedoms of citizens in the Canary Islands). As a result, the *Diputado del Común* has requested some clarification from the **Property Register and Notary Head Office** that authorised the registration of the pre-existing schemes of the three Anfi resorts which enabled them to continue to offer timeshare contracts of unlimited duration*.

Clarification

The Property Register and Notary Head Office issued a statement on the 8th February 2016 stipulating that the pre-existing schemes were correctly adapted to the new law and the contracts were legal according to the laws 42/98 and 04/2012. The Property Register and Notary Office does not understand the Supreme Court interpretation as the law made allowance for all in-perpetuity schemes that pre-dated the change in law to be adapted. This statement also states that all rights under a pre-existing scheme could be sold in perpetuity when the corresponding deed of adaptation by which a perpetuity scheme was stipulated was authorised and registered by the Property Register.

Consequently we anticipate that the clarification from the Property Register and Notary Office will assist the Supreme Court in making a new ruling.

Spanish Civil Code - payments

Anfi has always maintained that it will respect the ruling if the final court adjudication is that in-perpetuity contracts are null and void. The Spanish Civil Code states that both parties must return to one another the things which constituted the subject matter of the judgement. In this case Anfi would refund the money paid by the member for the timeshare and the member would have to pay Anfi for the use of the apartment during the holidays spent at Anfi.

Five star holiday accommodation

One of the reasons for the popularity of our timeshare contracts is that members can enjoy a five star product at a very reasonable price because they enter into a long-term relationship with Anfi. In order to calculate what a member would need to pay back to Anfi, guidance has been sought and the Court of First Instance number 1 in San Bartolomé de Tirajana (Gran Canaria) has clarified that the rate to be used for the calculation of a holiday cost should therefore reflect what it would cost to stay in a hotel of a similar five star quality. This rate will be based on data provided by The University of Las Palmas which tracks hotel pricing.

The value of a timeshare holiday

We are aware that this sum is considerably more than most members paid for their timeshare contract and hope that it reinforces to members the value of their Anfi timeshare holiday. We provide our members with a five star holiday experience at good value because it is within a longer timeshare framework rather than an annual holiday package at a costly hotel rate.

Call us

Anfi is very aware that this is a complicated legal situation which impacts the whole timeshare industry, not only in Spain but worldwide, and we are doing everything we can to bring some resolution to the issues.

Once again we urge you to contact us if you have any concerns about your contract or if you are approached by companies offering a doubtful legal advice. We hope this letter helps you understand that this is a complex legal issue and you may become involved in a costly process if you decide to start a legal claim. Please contact Customer Services by telephone +34 928 152 990 or by email at customerservice@anfi.es if you have any queries.

We want to take this opportunity to thank you for holidaying with Anfi – your membership is important to us and our goal is to ensure you continue to enjoy safe holidays with us in your home-from-home into the future.

From Anfi Group Shareholders

**According to the Spanish Act 42/98 which regulated the length of timeshare contracts, all resorts which offered in-perpetuity schemes that pre-dated the law, could continue to sell them providing they were registered with the appropriate land registry and notary.*