

# **ITSO EXTRAORDINARY MEETINGS**

## **Frequently Asked Questions**

### **Why has ITSO called an EGM now?**

As you may be aware the STRAP2 agreement had come to the end of its 10 year term in 2022.

(STRAP – Statement of Timeshare owners Rights And Privileges)

ITSO has been in negotiation for STRAP3 with Club La Santa management for several years and the STRAP2 agreement has rolled forward each year, as per the terms of the agreement.,

STRAP2 , Sections 8 and 9 had been the main areas of discussion. Several benefits for timeshare owners had been eroded, and we had been looking at ways to update benefits for ITSO members. Many ideas were floated but nothing was agreed.

During the last couple of meetings with CLS it became evident that their focus is to make changes to the Timeshare Contract, rather than focus on the STRAP agreement. These are changes that ITSO cannot agree to without consultation and agreement with Members; and CLS should consult with Timeshare Owners who are not members of ITSO.

ITSO is your elected representation for negotiations with CLS in respect of the STRAP agreement. It has no authority to agree changes to your individual contracts with Club La Santa. That is your Timeshare Contract and Service Agreement that you hold for every timeshare you own.

At our meeting in October 2025 Club La Santa made a presentation to us whereby they announced several changes that would be made, without consultation, and the announcement would be made to timeshare owners 2 weeks later, with an implementation date of 1<sup>st</sup> January 2026. We strongly objected and immediately sought legal advice. CLS agreed to delay the announcement of the changes and the implementation date.

A small working group from the ITSO International Board was set up – Kaylee Bonja (Chair), Karsten Kraglund (Vice-Chair), and Elsbeth Bonnor (Treasurer) to negotiate with CLS. Several meetings have taken place between October and December but no agreement has been reached. A draft letter to Timeshare Owners was shared with us, and a time frame for implementation later in 2026 was put forward by CLS.

Our legal advice was clear: we cannot take any action as an organisation claiming to represent over 2000 members without express consent. This is a requirement under Spanish Law. Should the case go as far as court we would automatically lose if we could not demonstrate consent. We were advised that the way to gain consent is through an Extraordinary General Meeting with our members. There are 4 national organisations, and we must each follow our constitution/articles to call an EGM.

Given that most of the ITSO Associations Constitutions require a minimum 28 day notice period of an EGM we had to act quickly – to make the announcement and then set up EGMs.

## **Why are you asking for consent to act on our behalf in relation to our Timeshare Contracts, Service Agreements, and the STRAP agreement?**

We need to make sure that there is no ambiguity of consent for a court. We want it to be very clear that you have given us consent to negotiate on your behalf, and to represent you in legal action – should it come to that.

If we only asked for consent for one single item – say the change in the deadline for payment of the service fee – and then CLS decide to go for something else instead we would have to come back to you all again for your consent and go through exactly the same process to gain your consent. This is time consuming, could be costly, and demonstrates a weakness that CLS could take advantage of. We could risk losing your support as you grow weary of the communications and action required.

Please also bear in mind that every one of your committee members and the ITSO International Board are volunteers. We all do this work in our spare time with no remuneration so of course we want to be as efficient as possible with our time, whilst giving you the best possible service. We are all timeshare owners at Club La Santa and we have a common goal.

## **So what are the other items that CLS have indicated they would like to change?**

There are several items ranging from removing discounts and booking privileges on bicycles (STRAP items) to changing the way in which the service fee is calculated – (to result in an increase above inflation), changing airport transfer arrangements, and introducing a fee for exchange requests.

## **Why do they want to increase the payment deadline from 3 months to 7 months?**

They cite business reasons – planning for use of ‘unused’ apartments.

We have made several suggestions to help with their planning:

- An incentive for TSOs to pay earlier. Such as a voucher for use in a CLS restaurant.
- A ‘reward’ for not using your timeshare. For example, if you know that you will not use it in one year and you inform CLS at least 7 months in advance (that you will forfeit your right to use it in that year) then you will receive a discount on the service fee the following year.

These would be voluntary options for owners rather than the mandatory change they want to impose.

We believe that it is more important for CLS to know more time in advance that you will not use your timeshare so that they can sell it that year to a tourist guest. The additional income received from a tourist guest would more than offset the discount given to the TSO the following year.

Both ideas were met with a flat refusal and there was no willingness to explore the ideas further.

We have legal advice on this matter and ‘business’ reasons or ‘planning’ is not sufficient.

The company is profitable and its profits have been growing. They have almost full occupancy year round. The survival of the resort is not dependent on this change being made.

## **How likely are they to pursue the other changes you mentioned?**

We asked the question – If you only make the change to the deadline for payment of service fees and drop the plan to increase the service fees by an extra 2-5% per year (to bring them more into line with the tourist rates), how do we know that you won’t come back for this in 1, 2, 5 or 10 years’ time? This question was met with a shrug of the shoulders and ‘who knows’. This is not good enough.

Again, this is why we want your consent for ALL negotiations. We do not know what other changes they may put forward.

**Why do we need you? Can we represent ourselves as individuals?**

Yes, of course, you can seek your own legal advice and take action against them. CLS has expressed that they are willing to take on any individual who challenges any unilateral changes.

However, they know this will be costly to individuals. Together we are stronger. We have negotiated a single contract with a legal team but we cannot sign it off until we have a high majority of members giving us consent.

**What can you tell us about the legal advice you have?**

Clearly, we cannot tell you everything as this information can easily fall in the public domain and we do not want to do anything that will jeopardise our case nor give CLS an advantage.

We can tell you that it is a company with 10 year experience in timeshare. They have branches in the UK, Spain and the Canaries. Our representative is Spanish with extensive knowledge of Spanish Law.

We commissioned them to produce a feasibility study before Christmas. The report demonstrates that we have a strong position under Spanish Law. It is their belief that the reasons that CLS has cited for making any of the changes to the contracts will not stand up in court.

**What do you mean when you say we are Shareholders and represent 20% of their business?**

When Club La Santa originally released the timeshares on 100 year leases they effectively sold shares of the business. Without that income there would be no CLS today. In the early years the service fee could be higher than the amount charged to tourist guests. Today the opposite is true. But CLS sold those leases and, even if the terms are no longer favourable to them, it is something they have to see out to the end of the lease period. The analogy could be a long term loan.

The occupancy levels at CLS in recent years are high all year round – pretty much always above 90% and more often in the mid 90s. Since the improvements and heavy investment made around the resort it has become more attractive to timeshare owners. Club La Santa has seen the occupancy by timeshare owners increase year on year. Timeshare owners used to make up around 10% of the guests at CLS but this has risen to around 20%. So, from CLS perspective they are not getting the financial advantage of as many unused timeshares. This is not our problem. They should view it from the opposite perspective – how lucky they were to generate additional income from timeshares for so many years in the past!

As previously stated Club La Santa is a profitable company. The gains they are trying to get from us are not critical to the survival of the business, so without those gains there is no risk to the security of our timeshares.

**Tell us more about the costs, how this is funded, and will we be personally liable for any?**

We are hopeful that agreement will be reached without the need to go to court. Negotiations may have broken down between ITSO and CLS but our respective lawyers will take over.

Your ITSO Associations have been very astute in managing their funds. We have each built up a reserve to cover any legal costs that may arise out of STRAP negotiations with CLS. The reserve was not needed for STRAP2 so our reserves continued to grow.

The ITSO International Board increased the capitation fee to each of the national organisations a couple of years ago when it was realised that these negotiations were not going to be easy, so a central fund is held in addition to the national ITSO accounts.

We have negotiated a fixed fee in the contract with the lawyers. This fee will cover **ALL** work involved up to and including a court case – if needed. It is not wise to disclose the amount but we can say that the funds in the International Board's account will cover this and there will be no need to ask the national ITSO associations for additional funds.

Should the matter go to court, we lose, and we wish to appeal the decision, we would need to negotiate a new contract with the lawyers. However, we would consult with you before taking a decision to appeal.

We need your consent to take legal action to protect your contractual rights. Thereby using some of the funds held. We must ensure we have every aspect of consent covered.

**Do I have to attend the EGM and can I just write to you to give my consent?**

You do not have to attend the EGM. You may submit your vote using the method allowed by your ITSO Associations constitution/articles. You may be able to join your association's EGM via Zoom or Teams or any other video platform offered.

Papers and voting systems will be explained by each national association.

In the UK we have an electronic voting system for members who cannot attend. You must use this. It creates an easy record for us to produce, if required, rather than lots of separate emails.

Remember 1 membership = 1 vote so if you hold a joint membership you will need to decide which way to vote – For or Against.

### **What about Timeshare Owners who are not Members of ITSO?**

Technically CLS has a responsibility to contact them, but we cannot be sure that will happen. For reasons of GDPR they will not give us the details of the owners who are non-members.

Therefore, we would encourage non-members to join so that we can include as many of the timeshare 'shares' as possible. This is why we are asking you to tell us how many timeshares you own at CLS. If you know of any TSOs at CLS who are not members of ITSO we ask that you encourage them to join. Here is a link to the International website:

<https://uk.itsolasanta.com/international/>

Clicking on the national flags down the page will take you to each national association.

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