

Apr-10

Dear Members,

A purchaser attended the Jumilla HdT meeting & wrote a report, independent of SARC and we asked her if we could send it to you all and post it on our website. She has very kindly said yes and it is attached for you to be able to read.

Also a member has sent s an email with permission to share it with you all, please read it bellow.

Regarding signing up to the agreement, there has been an extension until Friday 30 April to sign at a Notary in the UK. The documents will be scanned and emailed by the notary to the court and the documents then placed in the post. The court will accept the scanned documents whilst awaiting the original documents arrival.

If any of you are still unsure as to what action to take, I strongly suggest that you accept the agreement, as we truly believe that is is the only way that we can get anything back. Every vote counts and by voting yes you also help to save the money of other purchasers and none of us can afford to lose our money.

All the best

Tony

Meeting for creditors of Herrada del Tollo, held in Jumilla on 22nd April

The meeting was held in Hotel Monreal and was due to start at 6pm, though it actually started 15 minutes late.

Almudena (Director of HdT) and Antonio (Finance Director) gave the presentation, and then answered questions.

Forty nine people were present, nine of whom were British. John also noticed a couple who looked British standing in the doorway but they never came in, possibly because they saw that the presentation on the screen was in Spanish. Herrada del Tollo had provided handouts in English though so they could have followed it, and we were also given brief explanations in English.

Being cynical, I compared the handout with what I could see on the screen, and they were almost identical, although obviously Almudena and Antonio expanded on the various points.

For those people who haven't attended a meeting in the UK, these were the main points covered in the presentation:

- Brief history of the San Jose Group
- Why are we in this situation?
- What have we been doing during the last 2 years?
- The Company's current position
- Timescales and costs
- Summary of the Proposal. Key points
- How we are going to cover the repayments
- The way forward for the future
- How the Proposal benefits you
- What happens if Herrada del Tollo is liquidated?
- What you need to do if you support the Proposal.

Much to our surprise the Spaniards at the meeting were fairly quiet (!), so we were able to follow the presentation and also hear the questions being asked.

Almudena explained during the presentation that British buyers had been particularly concerned when HdT went into voluntary administration, and that this was because the liquidation process in the UK was completely different to the process in Spain.

Antonio made the point that the housing market in the Murcia region cannot be compared to the housing market on the coast and prices are amongst the lowest in Spain. Prices in Jumilla represent better value for money and have been more stable than in many other areas.

Antonio said they had several options for future financing, however at this stage of negotiations he could not reveal names as it was still confidential information.

A British woman asked several questions, stating that her lawyer had advised her (incorrectly) that according to Spanish law she could not cancel her contract. Almudena suggested that she gave her lawyer's contact details to HdT after the meeting so they could correct any misunderstandings. The woman also asked whether Herrada del Tollo would be willing to pass on potential buyers to anybody who wanted to sell their house. Antonio said they would be willing to do so if appropriate. All questions asked in English were answered in English – some Spanish creditors in the audience became a bit restless while this was going on!

A Spanish man who claimed to be representing several buyers also asked a number of questions, which he had written down. He specifically asked about the shepherd, plus whether there would be problems with the water supply. Almudena stated that the land owned by the shepherd was outside the area to be developed in phase 1 and they would be able to continue without needing to buy his land. Moreover the Supreme Court in Madrid had been satisfied that there would be adequate water supplies for the development and that they had the appropriate paperwork.

Another question was regarding how positive they were that they could successfully complete the project without going into liquidation. Antonio replied that they could never be 100% certain, however what **was** clear was that if they went into liquidation now, with the current economic situation, there would be insufficient funds raised to pay all their creditors, and the ordinary creditors would not get their money back. If this happened two or three years down the line, their assets would raise more money than at present, so ordinary creditors would get some if not all of their money back. The rationale behind this statement was the fact that there have been some signs of a slight recovery in the housing market, plus they had received offers to buy assets recently whereas there had been no offers when they first went into administration or over the last two years.

After the meeting I was able to ask Antonio a few questions regarding the number of live contracts. He confirmed that originally there were more than 1500 contracts, two thirds of which were with overseas buyers, mainly British. Spanish buyers hadn't been cancelling their contracts, so of their existing 966 live contracts about half were now with Spanish buyers.

Antonio also mentioned that they had asked for an extension to the date of 6 May, partly because of British buyers being stranded in Spain because of the ban on flights to the UK. If the extension was granted they could hold further meetings, so if a group of 15 or more buyers requested a meeting he would be willing to attend, whether it was in Spain or in the UK.

The Spanish people that I spoke to after the meeting were all going to agree with the proposal, as they saw that as the best solution for them and for Jumilla.

Three of the other British buyers had said prior to the meeting that they were also going to say yes, although they wanted their money back. They left before us, so I don't know if anything said at the meeting changed their minds.

The presentation lasted about 50 minutes and the questions took another half hour. Once people started leaving, other people went to the front to speak to Almudena and Antonio on an individual basis

Sue Walker *Author of "Retiring the Ole Way", now available on Amazon*