

Santa Ana del monte



Residents Cooperative

January 2012 Report

On Monday 9th January 2012 the SARC committee had a meeting with the Executive management of HdT and SJI at the company's office in Orihuela.

SARC

Anthony Malpass	Chair
Sue M	Representative for purchasers wanting a refund
Cristina Zamora	Representative for Spanish purchasers
Linda Needham	Secretary
David Needham	
Adrian Mclouglin	(via telephone)
Paul Hastings	(via skype) Representative for SJI purchasers

Apologies:

Brian Dornan	Vice Chair
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HdT/ SJI

José Agustín Rodríguez	General Director
Almudena Rodríguez	Sales Director
Damián Rodríguez	Urban Development Department

Review of 2011

The main topic of discussion was the delay being caused by the temporary suspension order that had been placed on the Jumilla Town hall and HdT by Supreme the Court in Madrid. This has prevented the new plans being processed and final build licences being issued. HdT had negotiated for finance to be able to continue with the build of SADM but the hold prevented the company from signing an agreement. Also HdT have several companies who wish to build the infrastructure for the development, taking some payment in the form of land but yet again have not been able to conclude any negotiation due to temporary suspension order.

Moving forward in 2012

HdT

The Shepherd:

It was explained that HdT are pursuing three different ways to get the suspension order removed:

1. **Murcia Supreme Court:** HdT's solicitor believes there is a legal basis for this court to make a ruling and to remove the temporary hold on SADM going ahead.
2. **Madrid Supreme Court:** This is in process but is slow and HdT are communicating with the court and trying to get a speedy resolution.
3. **Reaching an agreement with the shepherd:** The Shepherd wants the new plans to put his land outside of the development and to have written confirmation from the Jumilla Town Hall that is being done. The Town Hall have asked the Murcia regional government if the proposed change is permitted as the decision is not totally within their control.

HdT also would have to pay the shepherd solicitor's legal fees and unfortunately they appear to be higher than expected. HdT have a buyer for a piece of land at Calasparra, which could enable them to pay the legal fees and all being well resolve the matter.

The SARC committee urged for this to be resolved within the next few months and not to be allowed to drag on for much longer. It was **stressed that purchasers' patience is not infinite and that progress had to be seen this year** and asked how HdT could maintain the agreement time frame. Almudena said that they would resolve this ASAP and acknowledged that SARC had been contacting various officials and departments to try to get a speedy resolution.

Time frame:

Almudena explained that they anticipated having the temporary hold lifted within the next few months and that they had factored for some delay in the time from of the agreement. **She also said that the finance is available as demonstrated with the refinancing of the build at El Pinet.**

To stay within the time frame of the agreement it was explained that the construction of the **Infrastructure & properties would be done concurrently** rather than at different times and that a larger construction force could be used **to increase the speed of the build.**

The SARC committee members stressed that it is important that HdT moves forward with this ASAP and inform purchasers of the start date and SADM UK meetings as soon as they can do so.

Communication:

The issue of communication was raised by the SARC Committee and the need for purchasers to be updated. Almudena explained that they prefer to communicate when there is news to be given and that the meetings with SARC and its update reports have been very helpful in communicating with purchasers. **Almudena said that as soon as there is any news that she would contact SARC** via Anthony to inform them and the SARC membership.

SJI

El Pinet:

The finance for the building at El Pinet has been agreed and building will recommence in February: this will include properties, garages and commercial units.

There will be UK Meetings for the SJI purchasers and will commence first with a meeting with a large group of purchasers, represented on SARC by Paul Hastings and subsequent meetings with the rest of the SJI purchasers. **Any HdT purchasers who are interested in moving their deposit to El Pinet can also attend the meetings and will need to inform HdT of their wish to attend.**

SJI plan to show video, pictures and plans of El Pinet as many of the SJI purchasers did so through investment groups and have never seen the development or its location. SJI believe that it will be helpful if the purchasers have more information about the development to enable them to make a more informed decision.

The combining of deposits was discussed and Almudena said that it is possible and will be done on the individuals involved basis, as it will be dependent on the combined value of the deposits, the outstanding mortgage and purchase price of the property. It was stated that if SJI will look into ways to offset mortgage and finance costs of some purchases against others to assist in the purchase of properties by those who are combining deposits.

Purchasers Questions:

The membership had been asked if they had any questions or issues that they wished to be raised by the committee and these were presented to Almudena and discussed. Upon the conclusion of the questions it was asked if Almudena could provide written answers to the questions which could then be supplied to the membership. This was agreed to and the questions and answers are below, the bold black writing is the reply from HdT:

1. Please can I ask, I am one on those unfortunate ones who purchased through Arriba Homes, I have no way of contacting them to find out what is happening. Do you have any contact details?

I am not sure if you are aware but I was encouraged by Arriba to take a small part of my deposit when they where reimbursed funds, I am not sure how this leaves things now for me with obtaining the remainder of funds.

With regards to Arriba Homes' credit, it will be reimbursed as the rest of the creditors of HdT, according to the Proposal approved. Each client of Arriba Homes will have to claim their funds directly to them. They should be the ones that could tell their clients when they will be able of giving the funds back.

With regards to Arriba Homes, our company has been in contact only with their solicitor that informed us that they were their representatives.

The details of the solicitor are:

JC & A – MARBELLA

Ms Paula Moreno

Telf: 952 924 656

E-mail: p.moreno@jca-abogados.com

2. Happy new year to you as well

Just a thought if people wanted to get their deposits back would they be able to even if they had voted to continue with the development unfortunately me and my partner are no longer together I was the one who put the deposit down but the contract is in both our names any information would be appreciated I understand i wouldnt get all of the monies back but some would help in our situation

You can have your deposit back as established at the Proposal. But if the contract was signed by your partner and you, the deposit is registered at the Court under both names. Anyway the ownership of the credit can be transferred if there is a proper renounce signed by one of the creditors in favour of another one.

3. Hi Tony A happy new year to you and your family.

I do have a question for Hdt. With all the problems going on in the euro countries will this property actually ever get built and are people going to have problems getting a mortgage from banks.

The banks are giving mortgages depending on the purchaser's economic profile. For example, BBVA Bank is going to provide mortgages for the purchasers of properties on the new phase of El Pinet development.

4. I retire in September this year and obviously I thought I would have my property to retire to, but this is not the case, we do not seem to be going forward at all, should I be concerned. I have looked at the option of moving our deposit but am not happy with the area. My other question is Hdt have been holding my deposit since 2007, will I receive the interest on my deposit back for the last soon to be 6 years that they have held.

I have stuck by Hdt because I would like my property, but my patience is growing thin and am finding it hard to be positive about the future. I would also like to know if they are going to drop the prices of the property knowing that the property market is at its lowest in Spain.

I look forward to hearing from you.

Kind Regards

With regards of interests and reduction of property prices, it will be studied with every client on an individual base at the renewal of the purchase contracts.

5. Hello Tony

thank you for your early reply i would not mind our question going into your

report. I would welcome the opportunity to meet with Almudena and wonder if you could tell me how to arrange this.

You can arrange an appointment with Almudena by sending an E-mail to info@herradeltollo.com.

6. Hello Tony Happy new Year (we hope).

Is the meeting in Orihuela?, if so is it possible for anyone else to attend?

We have a question for the directors of Hdt.

As they are now out of administration and trading as a company, are the directors taking a salary, and if so, where is the money being taken from, is it our deposits?

At this moment the company has minimum expenses with regards to salaries and that money doesn't come from the clients' deposits. They are small amounts that are paid when it is possible and thanks to the generation of small incomes as for example the agricultural productions from the plantations in Jumilla.

7. Hi Tony,

Probably like most we are concerned at how long this whole matter is now taking and do appreciate the problem with the Court.

We all signed up for the CVA based on the information given then but the timescales put forward then have simply gone out the window.

.So if you can get some idea of HdT thoughts on the time scale now envisaged it would help.

Thanks and have a good trip.

It has been answered in the last update. *We discussed this at length with HdT and is expanded upon as part of this update report*

8. Hi

Would you be able to ask them if they have a generic bank guarantee for purchases who used Banco.

Thank you

There were some bank guarantee lines with different financial institutions, but bank guarantees are granted individually. We acknowledge that some clients are trying through their solicitors to claim for their deposits to the banks by arguing that the bank had a generic bank guarantee. But we haven't received until now any notification about any firm sentence pronounced in favour of the client regarding this question.

9. Hi Tony,

Good to hear from you & happy new-year.

Progress update would be good, as another year has passed by with little movement since the UK meetings of a couple of years ago.

I'd be interested if the movement of deposits has changed at all in the last few months.....last time I checked with hdt, they were quoting over 170,000 euro's for an Acuzena on la Marina. From my research, vastly over current market prices & although the development looks good, commercially it doesn't stack up (in my opinion).

Look forward to seeing the next update

The option of moving deposits to a finished property need to be studied on an individual basis. But the price of the last new built Azucena available that is being offered on El Pinet is based on the current market value and is competitive with other similar new build properties in the area. There are still a small number of resale properties being sold at substantially reduced prices; however they do not reflect the true market value.

10. Dear Tony-thanks for the picture show-you do not know how much it means to me. Two questions please-an old one I cannot get an answer to is when Ambasun paid Hdt where was the money banked-in other words which bank had our money. With regard to the 65 % offer-does this still apply or is it being reduced. An answer would be greatly appreciated. Thanks for all you are doing

As there were 2 accounts from 2 banks where the deposits from the clients were paid every case has to be studied individually to see exactly in which bank account the was deposit paid.

With regards to the 65%it can be confirmed that it only could be reduced if the company would go into liquidation.

11. Ho Tony,

I think I have asked this before, but can you try and get it in writing, the start date from when we will receive our money back. ? ie: when there 5 year plan to pay back started. we don't want them moving the goalpost do we

As the Proposal was officially approved at the end of 2010, the creditors that want their deposits back will receive the first payment as established at the proposal at the end of 2014 and the remaining amount at the end of 2015.

Comment & Opinion

It was obvious at the meeting that HdT are quite frustrated by the failure of the courts to sit and lift the temporary hold and that they genuinely want to get on with SADM. The committee felt that HdT are doing all they can to resolve the problem and that the request of the committee for them to get on and get a resolution was taken with the seriousness in which it was given.

It could also be clearly seen that HdT can get finance and that the company as a whole is moving forward, particularly with the resumption of building at El Pinet. Those who wish to move their deposit now have the opportunity to attend meetings and discuss this directly with HdT/SJI and decide if they wish to do so.

For those who wish to have their money back or a property the time frame is to remain the same and we will be closely monitoring the actions of HdT and wish to see construction commence at SADM this year. Even in the present economic climate, we believe that this is attainable and we look forward to being able to report progress as soon as it happens to our members and all purchasers via our website.

31 Jan 2012
SARC committee