



Position Statement on HdT settlement Agreement

The SARC Executive have read the settlement agreement, considered and discussed its content and proposal. Whilst awaiting for the document to be available the SARC Executive have engaged with HdT and made some requests on behalf of purchasers which HdT have agreed to and which are identified in the "What does this mean section". .

The Key points of the agreement

- Properties will be available from 2013
- Phase 1 will include 9 hole golf course
- Repayment of 65% of deposit spread over the forth & fifth years from the acceptance of the agreement.
- HdT must not breach the deadlines in the agreement otherwise the court can take action & liquidate HdT.
- Payment for properties remains the same as stated in the purchasers' contracts.

What does this mean?

To those who want their property:

For those who want their property this would mean that **if they accept the agreement** they can have their property or another one, with a new completion date. SARC have requested that **there is compensation** to purchasers for this and HdT have on their website stated that it will available on **an individual client basis**. The build quality will be maintained and the build will include the green zones, commercial units and pro shop/bar along with the first 9 holes of the golf course. Thus phase 1 with all of its parts will be completed.

If those who want their property do not accept the agreement & HdT are liquidated they will not get their property and will remain an ordinary creditor.

To those who want their money back:

For those who want their money back it means that **if they accept the agreement** they would receive 65% of their money back within 5 years. To try **to improve the choices** of those who have cancelled their contracts or who still want their money back, SARC made 2 requests to HdT. Firstly **SARC requested that those who had cancelled their contract to be able to resume their purchase and secondly that purchase contracts could be made transferable.** It can be seen on the HdT website that HdT have agreed to these requests.

The rationales behind these requests were as follows:

- Properties would be available at 2 years earlier than the completion of the repayment plan.
- Some purchasers may have cancelled on the advice of their legal representative but are still seeking a property.
- Some purchasers may prefer to resume their purchase, with the aim of selling it on to a future purchaser and **recoup all of their money**, possibly earlier than 5 years. (This is based on the property market recovering & also the attractiveness of SADM in its scenic location and competitively priced properties).

NB The 65% is in Euros and the amount repaid in Pounds will depend upon currency fluctuations .E.G. £100 deposit in 2006 at 1.45 € = €145 /100 x 65 = €94.25, with current exchange rates: 94.25 /1.10= £85.68

If those who want their money do not accept the agreement & HdT are liquidated, as ordinary creditors they would be dependent upon the sale of assets and the forlorn hope that enough money is raised by this to enable them to be paid back. However, this would be after the creditors whose status ensures that they are paid before any ordinary creditor and has no guarantee of any repayment or amount to ordinary creditors/purchasers.

Comment/Opinion

It has been a long a very stressful journey for all of us, which has not been helped by all of the rumours that have occurred. We know that there are some that, for whatever reason want to see HdT liquidated and have done all they can to achieve this objective. However, although the settlement agreement is not ideal, neither is the current situation that, we as purchasers are in and liquidation would be far worse.

If HdT is liquidated, the SARC Executive believes that there is a **very low probability of purchasers** without bank guarantees, **getting any money** back and that **any legal action would be costly and pointless.** Thus, the Executive believes

that it is not in the interests of purchasers to reject the offer and have done all they can to try to make it more palatable.

We have worked hard to try and improve the choices for those who want their properties and those who want their money back. This has taken a lot time and conversations but we feel that the offer of compensation for purchasers and **the options that have been made available** to those who want their money back **make the agreement more acceptable.**

The SARC Executive has been aware that various banks are interested in financing SADM and understands the requirement for HdT's financial liabilities to be resolved prior to finalising any finance. Furthermore, we realise that the time frames in the agreement are deadlines and that it is possible that the time frames could be shorter. **We also believe that the greater the support for the settlement agreement, the more influence this will have upon the time frame and the probability of earlier delivery of the agreements goals.**

It is up to each purchaser to make up their own mind as to which outcome that they prefer and we support their right to do so and have tried to ensure that all purchasers have access to information to help them to decide. We believe that it is important for all to remember that SARC is totally independent of HdT, is a purchaser group and is only interested in supporting purchasers and their interests.

If the agreement is accepted and SADM is going ahead, SARC will continue to liaise with HdT, speaking with a collective voice, putting forward the concerns and opinions of its membership & purchasers. We will seek to ensure that the purchasers have a voice in the decisions that impact upon the community as a whole and will do all we can to support purchasers when they are in receipt of their property.

Therefore, the SARC Executive support the settlement agreement and will be signing up to the agreement and strongly feel that ALL purchasers should do the same and accept the agreement.

The SARC Executive say to all purchasers:

To save your money & to save your property, save SADM!

If you have not received your letter from HdT to enable you to access the HdT website and the settlement agreement , please contact them via:

Email = info@herradadeltollo.com

31/03/2010
SARC Admin