

Santa Ana del monte



Residents Cooperative

Dear All,

I had a long and I believe constructive conversation with Almudena during which several items were discussed. The conversation was, as have been the previous ones, a dialogue with questions asked for clarification and I was informed of the following:

- The negotiations to refinance SADM could be possibly be finalised next week. HdT would prefer to be able to negotiate a little longer to obtain better terms in the agreement.
- Within the last few weeks some Spanish banks combined have come forward with a refinancing package for the whole of the SADM development and its facilities. The banks wish to sign the agreement in January, as it will be in their new financial year and come out of that years budgeted lending. This would be for obvious reasons HDT'S preferred option but the administrators advice will be heeded as the report to the judge is due shortly.
- The Administrators report will be given to the Court on the 29th November and it is believed that neither HdT nor SJ will be put into the process of liquidation due to the progress that has been made with the support of the administrators.
- The report will be in the public domain and available for all to read. It will include the amount of money each purchaser/creditor has paid (-IVA) and it should dispel many of the rumours.
- The town hall at Jumilla is prepared to keep the licences available for the financial negotiations to be completed.
- The town hall is not granting any licences to any other developer at this time.
- There is concern that it appears, some solicitors, do not appear to be relaying to their clients the information from the administrators about the refinancing of SADM. At least one has been invited to a meeting to discuss recent advice sent out to clients that appeared to be based on rumour and not fact.
- It was stressed again that the administrators have stated that purchasers who have their contracts terminated will be made normal creditors and not gain special or privileged status.
- There is concern that purchasers may be being advised to take action prematurely for little gain and this will minimise their options at an increased personal cost in fees to the solicitors.
- The build at el Pinet is anticipated to commence in January and there is available labour.
- Bank Guarantees'(BG). Some purchasers may have a copy a document that is not a BG but a notice informing the solicitor of the banks line of credit available for BGs.

- A request for the clarification of the creditor status of purchasers was made to Almudena and subsequently the company solicitor sent emails in response to the questions asked and gave permission for them to be made public. They are as follows:

Message Received: Nov 17 2008, 12:41 PM

From: "Yoana"

To: "anthony malpass"

Dear Tony,

My name is Yoana Soriano, lawyer from San Jose Inversiones and it is a pleasure to contact you.

Concerning to your question, i am trying to clarify it. The person who buy a property and he/she has paid an acomunt, has an ordinary credit from this reason, but it is not privilged, is ordinary. The buyer always has an ordinary credit.

Such category is establised in the Concursal Law, and it is the same which the admiinistrator concursal are going to name from this creditors (amounts paid into account of one property). If the buyer try to get an other status, such status is not going to be aproved by the Court.

Regards, Yoana

Message Received: Nov 18 2008, 08:23 AM

From: "Yoana"

To: "anthony malpass"

Dear Tony,

I am aware that a lot of lawyers are given to the purchasers some information which is not correct, may be to get some money of them.

I am sure that the amount paid by one purchasers is considered as ordinary credit, because it is establised in the Concursal Law. Apart from that, the administrators concursal have to issue an inform about the category of the credits, and they had confirmed us that this kind of credits is ordinary.

The Company has resolved some contract of sale with the clients when the dated of completion had expired, and in such documents the credit is considered as ordinary. Therefore, the client will receive the money inside the concursal process.

The Concursal Law only establis a privilged status for a few creditors, as salary of the employes , and real goods with mortgages.

Regards, Yoana

Comment/Opinion

The fact that the inform is being given to the Court on Monday the 29th November 2008 and be in the public domain should enable purchasers to see the truth of what is going on with the companies and the probability of the projects, SADM and el Pinet going ahead.

It has also become clear that there are many rumours being spread around concerning SADM and as of yet none have stood up to scrutiny. It is important that purchasers take rumours or claims from individuals with caution and wait to have the administrators report prior to making any definitive choice or action, other than that which they have already undertaken.

It appears that it is highly probable that SADM is going to proceed and that purchasers will be able to have their properties. This should also enable HdT to fund the repayment of deposits to those who want their money back, as despite claims that the money is there and readily available, it is not. Furthermore, those who do wish to have their money back will be repaid in a manner decided by the majority of creditors and it is very improbable that it would be in a one off lump sum.

Admin. 17 Nov 2008