

20 Jun 10

Dear Buyers,

We have been informed this week that there has been a sale order granted in the court against part of Amaranta Valley.

The information, which we are striving to obtain confirmation of, is that the valley has been divided into 4 sections and the plots on Red 1 to 4, Green and Yellow have been grouped together and a sale order made for that group.

The other 3 sections are, we believe, Red Section, Blue Section and Phase 2 and we are given to understand that there is at least one sale orders pending which will be granted against one of those sections, probably Red as it is the next one to the current group.

We are told that it will be at least one or two years before the order is executed and the section put to auction but we cannot confirm that as yet.

We have also been told that the implications of this auction will be to negate any other impediments (Court Orders, Memorandums etc) that exist on those properties, in effect leaving the section with clean title. What will happen in regard to those who hold those impediments we are not sure. It may be that some settlement of claims will be made from the monies made at the auction over and above the monies due to the initial claimants but in what order and in what amount we cannot say. It will also mean that all contracts are null and void leaving buyers with nothing. .

We have sought immediate advice and have been told that there is no legal method of fighting the sale order. The only way to stop it is to find out who has taken the order and to offer them settlement of their claim. We may have to go to the land registry and obtain a search to find out who has taken out the order.

One possible solution to this matter is the proposal which has been discussed before but not thought necessary until now, to form a company here in the TRNC and try to find a way to gather enough funds to bid on the property.

There are some problems to this proposal in that:

1. We have no idea how much the auction price will be.
2. Taxes will have to be paid on top of the auction price.
3. It will be an ongoing process as the other sections are put under the hammer.
4. Further funds would have to be found to complete the valley.
5. This will inevitably leave some of us out in the cold as many do not have the wherewithal to pay out any more money.

It may be that a resolve for 5 could be made by those who can raise the necessary funds to offer those who cannot afford it at least a partial refund if and when the properties are

completed and sold with the residual profit being retained by the shareholders of the company.

If anyone knows who has instigated the sale order then it would be to all our benefits if you share that information with us.

As we said the above is what we have been informed and we will be seeking clarification on all aspects of this issue this next week so please do not bombard us with questions. We will endeavour to keep everyone informed of what we find out. You may also wish to seek advice from your own legal representative.

We feel that we all knew that this was a possibility but have hoped that an alternative solution could be found before it happened.

With regard to the Government taking action over the issue of auctions we do not know what their reaction will be or what the possibilities are of their intervening in legal matter such as this.

The big issue here in the TRNC at the moment is to get them to take action about mortgages being granted on already sold properties which was brought to a head when properties were auctioned after Kulaksiz had failed to repay loans and the bank which had been allowing huge amounts of interest to accrue obtained a sale order, bought the site and effectively left the original buyers with nothing. Unfortunately, as usual the government are being reactive as opposed to proactive.

We will be continuing to try to bring the issue to the Government through the UAB and HBPG as we feel that this matter is probably bigger than the mortgage issue as anyone who does not have title deeds could find themselves ousted from their properties because the construction company or the holder of the title has not paid debts or serviced a court order.

In this regard we are at last getting some meetings with the Government now. Marian and a member of the UAB had a long meeting with the Minister of the Economy on Monday this week with further meetings promised for the coming weeks. Part of the drive at that meeting was to get the Government to speed up the issue of PTPs and forcing vendors to hand over title deeds to the buyers as this would stop the mortgage problem and also mean that buyers who wished to take legal action would not be able to take it on other buyers land. It was also pointed out that this would greatly increase the revenue to the Government as buyers and vendors would have to pay the taxes due.

Regards

ABC