



**PURCHASERS QUESTIONS CONCERNING THE IMPENDING SETTLEMENT OFFER OF  
HERRADA DEL TOLLO S.L.  
6 November 2009**

The October 2009 report that included the news of a forthcoming settlement offer generated questions from purchasers that were received via email to SARC plus postings and private messages on internet forums.

These questions were collated and put into a list that was then emailed to HdT.

The questions and HdT's written replies are as follows:

1. Will this project be completed as per the agreement with all promised amenities, shops, hotel, equestrian centre, 2 golf courses etc?

The approval of the partial plan involves the carrying out the whole project. The intention of the company is to carry it out as similar as possible to the original plan, although it will take some time to have it finalized due to the current situation of the economy and the state of the sales.

The first phase will comprise the first nine holes of one of the golf courses and some commercial areas. It will be partially built, that is, the area where amenities to supply the first nine holes of the golf course will be located. The remaining premises will be built in accordance to the needs and the progress of the building works.

2. Will the builds be finished to a high standard?

One of our trademarks has always been the quality of the product offered and that is something the company is not willing to compromise on. The properties will be built to a high quality & standard by using only the best materials available in the market, enhancing its aesthetics beauty as well as its security.

3. Is it true that around 1,000 houses will be built initially?

Actually, the first phase will consist of 2.700 houses. Out of these 2.700 houses, 1.000 are already sold. Therefore, the priority will be to finish these 1.000 houses and that is why it could have been given to understand that 1.000 houses were initially going to be built.

4. How do we know that it will get finished, other developments are having awful troubles getting water, electrics, and finishing the builds?

The mains supply for the first phase will be guaranteed as it is stated on the studies and researches done. Without guarantee of the mains supply, the Town hall will not give the approval for the building of the houses. The supply will obviously include the water supply.

The finalization of the building works will be guaranteed by the developer mortgage or the relevant financing available when the final settlement is to be approved.

5. How do I know they will be able to get enough money to continue such a massive project in the future?

The project must progress step by step. We hope that the economical situation improves in the future in general. That will mean that the expectations for the progress of the development will therefore improve and this will make the necessary financing easy to obtain in order to finalize the site.

6. Will Santa Anna go ahead and have the golf courses hotels and club house as promised, or will they just make a start and then “bugger off” leaving it incomplete?

When the building of a phase is started, it must be finished. Because of that, though the project takes longer than initially planned, it must be carried out and finalized. The building works of the first phase, along with its amenities, will have to be finished to a living standard.

7. How long will the development take to finish?

The finalization of the project, as a whole, could be delayed from eight to ten years. Meanwhile, the properties will be built in accordance to the different phases, as well as the amenities (golf courses, infrastructures, hotel and commercial and leisure areas). It will take around 3-4 years because the more difficult stage is the launching of the building.

8. When we were in Jumilla we were told that a very large percentage of the plots had been bought by Spanish companies who were obviously going to be interested in the golf side of things i.e. tournaments. If what you say is true as below then it will surely be the companies who have bought the large plots who will be determining the fate of SADM?

There has not been any definitive sale in any of the plot of land that comprises the Santa Ana development. There have been some companies interested in the

project but no successful agreement was reached. Therefore, we are not aware about those comments of Spanish companies having purchased land in Santa Ana and where they might come from.

9. I had heard that the amount of Spanish purchasers for SADM was more than 45%, is this true and if not how many are?

There are a high percentage of Spanish purchasers that are still interested in going ahead with the purchase and whose contract is still valid. However, I haven't got the exact percentage that accounts for the Spanish purchasers.

10. What is the purchaser's percentage of the debt?

The purchasers whose contracts are valid amounts to roughly more than 55% of the debt.

11. Can you tell me if the settlement agreement is a proposal by HDT or by the Court administrators?

The settlement agreement is an offer that comes from Herrada del Tollo, nevertheless, both the court administrators as well as the judge will have to give their consent to it.

12. How will everyone be informed as outside of this forum no one seems to be aware of it?

The company will try to contact all the creditors through the settlement's explanation letter or accompanying letter in order to inform them about the situation. Likewise, all the notifications will be posted in the web. We also will inform directly to those lawyers who are acting on behalf of clients and who has been informed us about this representation in the past. In any case, the court will inform about any important information that may arise.

13. Will the notification be available via our legal reps? Or will it come directly to the client?

The information will be directly supplied to the purchasers. Nevertheless, if any purchasers have appeared before the court through a solicitor and barrister, the

notifications will also be also received by the legal representatives through the solicitors who are usually aware of any notifications that may arise from the proceeding.

14. We are not voting yet as to whether we want our house or money BUT if most people vote for their money back at this stage, then they know there is no support for the project. If you vote to say you want your house, whose to say you are either committed to this choice or at least have your money tied up until HdT decide to pay us back?.

Those purchasers who decide to go ahead with the purchase and who later decide to finalize the purchase by a resolution of the contract, will be applied the same conditions and paying schedule as the rest of the creditors who had already finalized their purchase before the final settlement agreement.

15. HdT are willing to pay for a notary if we agree to their plan, why would anyone not want to get their own lawyer to look at this and act on it rather than blindly trust HdT?

The notary will be the way of supporting the settlement agreement by signing in front of the notary. The final settlement can be checked before the signature by the purchaser, his solicitor or legal consultant either at the notary's office or in advance.

16. Will the agreement and accompanying letter be forwarded to all purchasers at the Jumilla site or just those in touch with SARC, and also where do we stand concerning our solicitors who have power of attorney for us, will they be in a position to accept the agreement at the notary on our behalf?

All the purchasers will have to be notified. Nevertheless, in the case a purchaser does not receive the notification due to the postal service, wrong address, etc. the notifications will be posted in the company's web page and of course, SARC will be updated on those notifications.

The final settlement agreement itself will not be forwarded to every purchasers, only the accompanying letter that will inform where to access for the settlement to be checked. Any creditor is able to delegate his vote to a solicitor or whoever he considers suit by granting a special power of attorney to act and sign the agreement on his behalf.

17. What is the voting process and how long does it take?

The voting process is a joining process, this means that the company makes a proposal consisting on a settlement and those who agree with it will have to join it. Those who do not join it, it will be considered that are against the settlement. The way of joining the settlement is formalizing the agreement to the settlement before the notary.

The deadline to get the settlement approved will be 90 days from the court order. The date of the court order will be posted in the company's web page and SARC will be informed accordingly.

18. Presumably the settlement agreement if in Spanish will also have an English version?

Yes, there will be available a translation of the settlement agreement.

19. How do I know if I can trust HdT & that they will deliver what is in the agreement?

The company submits this final settlement because this is the way to go on and continue with the project. The settlement will comprise the reasons that Herrada del Tollo, S.L. has put forward to propose such as settlement. The main reason why the company ought to honour the settlement is that the future of the company is bound to the fulfillment of the settlement that is due to be supervised by the court. In the case the company does not honour the settlement, the court is entitled to take the necessary measure to make the company is acting in compliance with the final settlement, being able to order, as a last resource, the liquidation of the company if the settlement is not properly fulfilled. Therefore, having the court supervising the settlement is in our opinion, will act similarly as any legal binding.

20. If we don't buy should we still vote and would we be held accountable for saying 'yes' but not buying?

All the creditors whose contract is either cancelled or not, can join the final settlement by signing before the notary. The purchasers have to be aware that they are not deciding about going ahead with the purchase or pulling out of the purchase contract. Those purchasers who eventually finalize the contract will be in the same position as to those purchasers who have already done it in the past, as far as reimbursement of the money is concerned. However, once the renewal of the contract has taken place, there might be penalty if the purchaser pulls out but not necessarily. It will depend on the circumstances of the finalization of the contract, what the stage of the building works, etc.

**Final comment:**

Please, note that Herrada del Tollo, S.L. and San José inversiones y proyectos urbanísticos, are companies that belong to the San José group and are related only with commercial purposes.

As far as legal purposes is concerned, they are independent one another.

Therefore, San José is not involved in any way in the Herrada del Tollo final settlement process.

**Please bear this detail in mind before posting any information on the web page.**