

Hi All,

On the 9<sup>th</sup> of June SARC emailed the Directors of San Jose asking for some form of compensation for purchasers who proceeded with their purchases. A reply was received later that day and we were informed that Almudena, the MD, discussed this with the administrators. The reply was that new purchase contracts, which would include compensation, would be made available to purchasers who wished to proceed with their purchase, as soon as they had established the completion dates.

This is a very strong indication that SADM is going ahead and underlines why others who have been in contact with San Jose are very positive and the staff are 99% sure that it will be proceeding

Please note:

SARC does have the names of the Administrators and has already established a route of communication, this was done last week.

The listed debt of the companies is around 30 million Euros with assets of 300 million and contracted sales returns on SADM in the region of 200 million Euros.

The foundations are in for many of the properties on the west of the golf course, which has already been landscaped and had planting taking place.

SADM is a legal development with 50% Spanish purchasers appealing to a different market than that of the coastal urban sprawl.

And I ask:

When you are offered a new purchase contract for your property what are you going to do? You chose SADM for a reason and you need to ask yourself if that reason still stands plus how you will feel seeing SADM built and not being there