



October 2010 Report

On Friday 8th October Anthony Malpass met with Almudena to discuss the current situation with SADM and the following was discussed or said:

Finance:

The negotiations to finance the building of the new phase 1 of SADM have been ongoing and the number of financial institutions involved has increased to over 5.

The terms, amount and types of finance being offered by the parties varies, with all being negotiated with HdT and close to agreement. Almudena explained who HdT are negotiating with but, due to the sensitivity of the negotiations, it was decided by SARC not to reveal the names of the parties to prevent any negative attempts at interference in the final phase of these negotiations.

The SARC committee sent a letter to HdT putting forward our members' perspective of the financing of SADM and asked that the financial institutions be made aware of this viewpoint. The key points stated were that purchasers understand and accept the need to move onto the new phase1 and are supportive of SADM but wish for the finance to be agreed prior to any new purchase contracts being signed.

The finance for the building of the infrastructure is being discussed with a company who approached HdT and specialise in the building of roads etc. They have been negotiating to build the infrastructure and to take some land in a later phase at SADM as payment. HdT wish to ensure that any properties built at SADM are appropriate and this is part of the negotiations.

It is anticipated that the finance for the building of SADM will not be signed until early in January 2011, due to the complexity of the negotiations and the forthcoming end of the banks' financial year. Importantly the negotiations include bank guarantees, mortgage availability and sensible interest rates etc.

Jumilla Town Hall:

Almudena explained that the process of issuing the final build licence was progressing and it would identify the new phase 1 and the building plots that it contains.

Plans for the new phases of SADM are just being completed and identify the new phase 1 and the sections/plots that are included within it. As soon as they are finished, HdT are going to email them to SARC so that they can be placed on our website and be available for all to access and see.

Club House:

The design of the club house was discussed and Anthony Malpass suggested that HdT may wish to consider a design more in keeping with the beautiful valley setting rather than a modernist functional structure. Almudena said that they are reviewing the club house and it is possible that a more sympathetic design may be considered. The club house will be built in phases and the first phase will contain the pro shop and club bar.

Aribba Homes:

Anthony Malpass raised concerns regarding the purchasers who are clients of Arriba Homes, several of whom are SARC members. The solicitor for Arriba Homes has been contacted by SARC and requested further information that has been supplied to him but as of yet has not responded to the questions put to him. The purchasers of Arriba Homes wish to know if they will receive more than 29% of their deposit or alternatively if they can continue with their purchase and have the same options that the other SADM purchasers have.

Almudena has also been trying to communicate with Arriba Homes but it appears that the owners are currently not contactable and this may be why the solicitor is at present not giving a reply. Both HdT and SARC are going to continue with contacting the Arriba Homes solicitor and hope that there will be some news for their purchasers soon.

San Jose Inversiones:

The administration process of SJI is taking up a lot of Almudena and the office staff's time. SJ have learnt from the HdT process and are setting up a website etc for the SJI purchasers/creditors and will soon be holding meetings in the UK. The meetings will be similar to those held for HdT earlier in the year and will enable SJI to explain the current situation and the options open to the purchasers etc, plus have notaries present to enable those who wish to accept the proposal to sign up to it whilst at the meetings.

Although SADM purchasers are not directly involved with SJI the moving of deposits to coastal SJ properties is primarily dependent on SJI coming out of administration. Therefore, SARC undertook a Consultation process with the SARC membership regarding the possibility of them moving their deposit to a coastal SJ property.

HdT were informed of the outcome of the consultation and SARC asked for purchasers to be able to know the location of the SJ developments. This was in

response to emails from members saying that they wanted to visit the sites and see what they were like and what properties were available. HdT supplied us with the information below but **asked for us to make it clear that no commitment to moving deposits to an alternative SJ property is yet possible as this depends upon the outcome of the SJI creditors vote.**

The details of the SJ developments are:

The opening hours at the office in _*Playa Golf*_ are Monday to Friday from 10am to 2pm. The contact person there is Diana, her phone number is 667 10 10 46 and her E-mail address: playagolf@sanjosegrupo.com.

The address of the office is:

/Playa Golf III, R-2, Azucena nº 3
Sector Lomas de Cabo Roig, Campoamor
Orihuela Costa - (Alicante)

The opening hours at El Pinet are Monday to Friday from 10am to 2pm.

The contact person there is Norman, his phone number is 658 825 479 and his E-mail address: elpinet@sanjosegrupo.com.

The address of the office is:

El Pinet, M-3, Rosita nº 1
Playa de El Pinet - La Marina
Elche (Alicante)

UK Meetings to discuss individual options/compensation etc:

As the signing of the contract for the finance of the build of SADM is expected to be early January 2011, the HdT meetings are being pencilled in for the end of January and early February 2011. SARC will ask for more details regarding the process, dates and locations to be made available as soon as it is feasible to do so.

Original Purchase Contracts:

Prior to the meeting, a couple of the SARC members queried the need to have their original contracts to be able to enter into a new agreement with HdT. This was of great concern to them, as they had not heard from their solicitors since the Yes vote had been given and were worried that they were going to be charged to get their original contracts back.

Almudena has confirmed that even though it would be preferable that the clients had their original contracts, as the new contracts are going to replace the old ones there is no problem if a purchaser doesn't have the original contract. Furthermore, if necessary, HdT can provide the purchasers that don't have their original contracts with a copy of the ones that they have in their records.

Additional Information:

Motorway:

The work completing the motorway from Murcia to Jumilla has continued and it looks like it will be completed in the first half of next year. This will improve access to SADM and the time to reach Murcia and also the coast.



Photographs of the new motorway, near to Jumilla. August 2010.

Paramount Theme Park:

Towards the end of September 2010 there was news that a company had been set up, with the support of the Murcia Regional Government, to commence the process of a Paramount Theme park being built in Murcia. It has been reported that it would take 2 years to complete the theme park and would bring 20,000 jobs to the Murcia region. SARC will place any links to news on the progress of the theme park on the website and also suggest using the simplynetworking link on the SARC website.

Below are some links that may be of interest.

http://www.simplynetworking.es/news-3743-31-paramount_theme_park_murcia_proyectos_emblematicos_murcianos_is_born.html

<http://ezinearticles.com/?Paramount-Pictures-First-European-Theme-Park---Murcia,-Spain&id=5044645>

<http://www.prlog.org/10926657-murcia-gets-green-light-for-paramount-pictures-theme-park.html>

SARC:

There are two new members of the SARC Committee, these being Mr Adrian McLoughlin and Ms Sue McGinlay. We hope that their addition to the committee demonstrates SARC's commitment to ensure that all members' points of view are represented and that more purchasers will decide to become members of SARC.

We are also in the process of reviewing the SARC database and will soon be sending out a new membership form for members to complete and also issuing SARC membership cards.

The SARC membership currently stands at around 200 purchasers, based in the UK, Eire, France and Spain. We also know that some of our members have joined on behalf of several purchasers and pass information to them. We hope that those purchasers and others, who are not members, will join SARC (at no cost) and be able to participate in any further consultations that we may undertake amongst our membership.

Comment/Opinion:

Due to the low level of staff in the HdT/SJ offices it is understandable that a lot of time and effort is being spent on the conclusion of the SJI administration process. It is also understandable that, as the yes vote was counted not long before the August shut down, the negotiations over finance are still ongoing. However the amount of interest being shown by the banks in SADM is very encouraging and we look forward to the signing of an agreement early next year.

We fully understand the impatience of some purchasers, who may wish to know whether they can move their deposit to a SJ property or to a different location or property on SADM, but ask for all to remain patient for a little longer.

We also believe that it is very probable that SADM will become a very popular development due to its location, the new motorway, the new airport, the Paramount Theme park and the fact that the purchasers fought for and stood by their development.

ADM 14/10/2010