

Santa Ana del monte

Residents Cooperative

Dear All,

It has been a week since Linda and David met with Almudena and the report has now been circulated so I phoned and asked Almudena about the refinancing.

I have been informed that there are two different parties being negotiated with and that an agreement is close to being agreed. One of the parties wishes to purchase 50% of the San Jose Group of companies and that the other is only interested in SADM. The party that is interested in Herrado Del Tollo and SADM plus has the funds readily available to cover the 4.5 million Euros for the expropriation of the land and cost of the final build licence from the town hall.

I was informed that the administrators want the refinancing agreement to be completed and signed before they return to the court with their report.

I contacted Almudena via e mail and asked for confirmation of the situation with purchasers with BGs.

"Almudena had a meeting last week with the administrators and lawyers of some clients of Santa Ana. They discussed the matter concerning those clients with and without BG. The lawyers wanted the resolution of contracts for their clients and the Administrators told them that they would agree to give a resolution to those with bank guarantees but not to those without because it will not help these clients as this doesn't mean they are going to receive the monies sooner. No, this is not how it works. They are creditors as will be part of the "Convenio" and monies will be returned to them when and how the Judges rules. They have agreed to a resolution of contract to those with BG but only if they do not request interest on the monies, as if they do, then a resolution contract will not be signed. If they give up their interest, then the resolution contract will be signed and the bank will return them the monies and then the bank will inform the Court that they have returned to such client, such amount and that now the named bank is now creditor for that amount.

Conclusion, it does not speed up the process just by having a resolution contract signed, specially not to those without the BG as this will only cut down their options. ie, continue with property, cancel the purchase or any other options that may arise at that time. We will only give a resolution contract to those with BG and that do not request interest, NOT to those that do request interests."

Opinion:

From the above I conclude that the directors of HdT and SJ are under pressure from the administrators to conclude the refinancing and I feel that the probability of SADM going ahead is high. I further believe that purchasers should wait for the courts decision before rushing into any binding decisions and leave their option open as to whether they wish to have their property or to become a creditor.

14 Oct 2008