

Santa Ana del monte

Residents Cooperative

Dear All,

I spoke to Almudena today and asked about how the refinancing was going and if there were any further updates. I was informed of the following:

- The administrators have been at the office most of the day and that meetings are taking place.
- One was with the solicitors Irwin Mitchell and they have 4 clients who wish to cancel their contracts. I was told that the administrators informed the solicitors of the advanced state of the negotiations regarding the refinancing and that there is no advantage for the clients to cancel their contracts.
- The refinancing negotiations are nearing conclusion with 2 companies and that they are aiming to have them completed within the next couple of weeks. Almudena said that it had been a busy but good day with meetings and things are moving forward.

Comment

The negotiations are still underway and I have stressed the importance of the deal to be completed and signed within the next couple of weeks; as purchasers are very concerned and an early conclusion would be extremely helpful for all.

It appears that most purchasers are keeping their options open and waiting to see if the refinancing negotiations will be completed.

I would like to add that Almudena is pregnant and her baby is due to be born within the next 3 weeks. She has been working very hard to get SADM back on course and it would have been easier for her to let the company fold. She has not done this but instead, despite her condition, has done all she can to try to get SADM etc out of this mess. Furthermore, she has arranged for direct communications between SARC and the company to continue during her pending absence.

7 November 2008

ADM