

Santa Ana del monte

Residents Cooperative

Report: July /August 2008

Meeting with Almudena 29th July.
Anthony Malpass attended on behalf of SARC

The meeting was held to get an update on the situation and to put questions from members forward and get answers for them.

At the beginning of the meeting Almudena explained in some depth, without request, how the refinancing was going. It was explained that there are 2 current financial options being put forward and are under negotiation. Both options were explained (one of the parties is interested in the whole Route del Golf package, including SADM, Delores and Albaterra) and that the finance should be agreed in September 2008. It was mentioned that the financial institutions had been accessing the SARC website.

Members' questions:

Q. Why has 7% been deducted from the deposit?

A. Every payment made by a client the company has to declare the 7% IVA of this payment. Instead of adding an additional amount to the deposit it is included in the deposit and paid by the company, who recoup it upon receipt of the final purchase payment, at which stage clients pay 7% to cover the IVA.

Q. Euro exchange rate changes have changed since my completion date; can the rate be as per my completion date?

A. They are not able to agree a fixed exchange rate, as this goes up and down all the time. However, they will consider compensation upon completion but this will be on an independent base only, each purchase differently.

Comment: This seems reasonable and is a more positive response than expected.

Q. Will I be compensated, can I be given proof of bank guarantees and that facilities will be built?

A. They will consider compensation but when the time comes to compensate, each client's case will be studied independently, as not all clients will suffer the same delay. Regarding proof of Bank Guarantees that can only be provided after the refinancing is agreed. It was

mentioned prior to putting the questions forward that the refinancing packages are for the development and its facilities.

Q. Does HdT own R14 and will it go ahead?

A. It was stated that ALL plots sold are owned by SJ/HdT and that they are awaiting the final build license to recommence work on the site. This will be done as the rest of the plots. Also they will offer clients the option to change to a plot where houses will be built before, should clients want to change.

Q. Can I move my deposit to another property on SADM?

A. Deposits can be moved to a larger or smaller property on SADM, dependant upon availability. It was explained as means of an example that a purchaser due to their circumstances had changed from a Marbella to a Tulipan.

Comment: This is one of the listed aims on the SARC website and it is welcomed that consideration of changing of purchasers financial circumstances is being undertaken.

Q. If some one goes for their money back is it possible for them to still purchase if they change their mind?

A. This was discussed and it was felt that once a client receives the first instalment of the repayment of their deposit that the purchase contract would be void. Therefore, if a client decided after that point that they wished to purchase that it would be a new purchase and require negotiation. Almudena said she would speak to the administrators about this.

Over all comment: The news and replies given all bodes well for SADM and the purchasers.

Bank Manger and Mortgages:

Anthony Malpass met with his bank manager and discussed mortgages for properties and was informed that there is no problem with the mortgage offer on the property at SADM in Jumilla. However, if a property was being purchased in the coastal area it could be problematic and would depend upon location, verification of value, the amount of deposit and salary.

Solicitor meeting 4th August 2008:

Anthony Malpass
Brian Dornan
Margaret Dornan.

The meeting with the solicitor was to sign Power of Attorney and upon meeting, the solicitor asked if we would like a briefing, to which we replied yes and were informed:

- That the inland property market is fine but the coastal one has slumped.
- That refinancing the project should occur and that the banks would be supportive of inland projects.

- There is political pressure from the regional governments that the inland developments go ahead particularly as they bring facilities and income to the inland areas that have not benefited from investment.
- He explained that SADM is different from the problems of the coastal development as it does have purchasers with a very high proportion of properties reserved.
- That getting the deposit back would take up to 5 years and we could have our properties in 1.5 years.
- A new motorway is being built close to Jumilla and will give easier access to the coast. (This motorway will be approximately 5 minutes drive from SADM heading towards Pinoso).
- We were informed that 90% of his clients want their properties and those who did not was due to specific financial reasons.
- He said that he had a lot of clients and that they come to him as he specialises in administration process and is also a Barrister and able to act in the Mercantile Court.
- He explained that the behaviour of some professionals has caused concern but that this was improving.
- He explained that the way SJ/HdT finance their projects with lines of credit from the banks is the norm.
- He stated that he thought that the properties were cheap and that they are a good purchase.
- We were advised to be positive and to wait for our properties, especially as we would get them before we got all of our money back.
- He added a special clause to the POA to enable him to negotiate outside the court with the administrators on our behalf.

Opinion

With the continued strength of the inland market, the building of the new motorway and the political support for inland growth SADM is a very desirable development. It is now most likely that SADM is going ahead and it would be prudent for purchasers to ensure that their solicitors act in their best interests, which, for most will be the same as ours, a property within 1.5 years (depending upon your property's location) rather than instalments of money over up to 5 years.

ADM 11 Aug. 08