

Santa Ana del monte



Residents Cooperative

On Wednesday the 29th of October 2008, Tony Malpass attended a meeting with Almudena to get an update on behalf of the SARC membership. Linda and David Needham had also been invited to attend the meeting but were unable to due to other commitments.

Several points were discussed in the meeting:

- Refinancing.
There are now 3 different refinancing offers on the table and close to completion:
 - 1) For SADM only
 - 2) For Herrada del Tollo and its projects (includes SADM)
 - 3) For The SJ group of companies (includes SADM)
- Administrators Report.
The administrators had requested from the court and been granted an extension on the time to present the report to the court. This had been requested as the negotiations for the refinancing are close to completion but the administrators want to ensure that the company's position will be sustainable upon the completion of the deal. This also involves checking the financial status of the parties putting the offers forward.
The report is due to be given to the Court late November.
- Building Licence.
The administrators requested that the Jumilla town hall kept the building licences for SADM available, which they agreed to do.
- Spanish purchasers (approx 45%).
Only a few of these purchasers have expressed an interest in getting their money back. The vast majority of Spanish purchasers are waiting for the company to sort itself out and for SADM to recommence.
- The court hearing scheduled for the 24 October.
This did not take place as a result of negotiations taking place between the solicitors and the administrators/SJ. This agreed for the resolution of the purchase contracts of their clients with bank guarantees (this was 7 of their clients) but not those who do not have BGs. This agreement is for those with BGs to assist them in getting their BGs actioned by the banks.
- Lucas and associates.
Unfortunately the solicitors sent a letter to all of their clients claiming that an agreement had been made to cancel their contracts and that they would be getting their money back. This letter has been seen by other solicitors, the administrators, SJ and is with the Judge at the court, as it is inaccurate and gives clients and others misinformation. Those without BGs would not get their money back in a lump sum but have to go through the creditors' process.
- Purchasers' options.
The court will give purchasers the option to continue with their purchases or to become a creditor and await the return of their money. The cancellation of the

contract for those without bank guarantees prior to this offers no advantage to the purchasers, as they would become ordinary creditors and would be unable to negotiate any compensation or changes to their contract in the future. Those who cancelled might renegotiate to buy again but HdT can not guarantee the price or any other conditions.

With the continuation to purchase the purchaser can negotiate compensation and/or alter their purchase.

With the credit option, the creditors negotiate how the money will be repaid and over what time frame. As an example it was mentioned it could be to have 70% back in 2 years or all on 5 years. The decision of the majority of creditors is applied to all creditors and they all get repaid the same way. It is very important to be aware that full refund of deposits in one lump sum will not occur.

- El Pinet

The building licences are granted.

The BBVA has agreed to finance.

The roads and build should recommence with the completion of properties soon.

The habitation licences will be granted upon completion of the infra structure.

The residents have formed a residents association and met with the administrators.

- Communication/updates

Tony Malpass has arranged with Almudena to contact her weekly and get an update on the state of the renegotiations, so that members and all purchasers can get the news ASAP.

Comment

The fact that the Court and the town hall have both given an extension to the administrators indicates that the negotiation of refinancing is serious and very close to an agreement. If it was not then this extension would not have been given.

It is important that purchasers keep their options open.

It would appear that the probability of SADM going ahead is high and that we could know by the end of November if that is the case.

ADM 2/11/2008