

Santa Ana del monte

Residents Cooperative

May 27th 2009

Dear All,

Communication with Almudena and HdT has continued and in the last 2 weeks we have been informed that the Spanish Bank has met with the administrators and that the negotiations to refinance SADM are continuing. We have also been told that we will be informed as soon as there is any news regarding the negotiations. When we do receive any information, we will pass it on to our members ASAP and then have it placed on the SARC website for all purchasers to be able to see.

In the earlier report it was mentioned that some purchasers are challenging the creditor list. From a communication received from the administrators to a solicitor, it would appear that it is unlikely that this will be resolved before the Spanish holidays commence. The Judge must solve these issues before the general creditors meeting can be held.

Opinion/Comment

- It would appear from the news reports that the financial crisis may be on the turn. The pound to Euro exchange spot rate on the money markets has begun to rise and on the 27th it reached 1.15 Euros. This may not be as high as it was last year but the rate appears to be improving and may continue to climb upwards.
- Financial institutions appear to be becoming more open to lending again, as can be seen in the UK by the reintroduction of 90% and 95% mortgages by lenders.
- For a Spanish Bank to continue negotiations to refinance SADM, they must view it as worthy of their time and effort.
- It would therefore, in our opinion be prudent to stay with one's purchase and not to throw money in costly legal exercises.

ADM 26/05/09