

Tessoro at Las Conchas Delivers Titles U.S.-Style Closing Process and Fast Completion of Escrituras Sets a New Standard for Rocky Point Developments

Puerto Peñasco, Sonora

Living up to its own high standards, Tessoro at Las Conchas successfully completed its first round of escrituras (deeds) shortly after delivery in 2009. Tessoro already boasts a full Arizona Public Report and has consistently sought to inspire confidence in its buyers via providing American/Canadian-level services.

Closings, paperwork, legal transactions, bank trust and other mundane tasks are usually the least interesting part of buying beachfront real estate. Moving in and decorating are far more fun for most Americans or Canadians and they are thus inclined to overlook these important details. This makes the way in which developers carry out the closing process particularly important to the quality of a project.

Tessoro designed a custom closing process to provide an American-style experience. The developers incorporated American escrow companies to hold most closing costs and funds until after escritura deeds were signed, the strongest protection ever offered in a Puerto Peñasco project. The development also insured that buyers had access to independent Mexican attorneys who acted as closing coordinators and advocates for the buyer, thus avoiding conflicts of interest. All of these measures were incorporated voluntarily by the developers, who hired an international attorney from



the United States as a consultant to design the sophisticated process.

Americans can own coastal real estate in Mexico via bank trusts (called Fideicomisos) or via Mexican companies. Tessoro in December proved capable of delivering escrituras both via bank trust and company to different owners.

In addition, one Tessoro owner employed third-party financing via GE Capital, demonstrating that for some buyers traditional financing is available with Tessoro. Several American and International Banks have approved Tessoro for loans.

What steps must a developer and fideicomiso bank take to transfer title in Mexico? There are many steps, but knowing the answers to several key questions is important for any buyer. First, the developer must file a condo regime document with the property registry, creating the individual condominium or housing subdivision rights under Mexican law. Tessoro took the

step of completing its condo regime prior to delivery, thus paving the path for ownership. Second, a fideicomiso bank must be willing to hold the property in trust and have all development paperwork in order to file for a permit with the Secretary of Foreign Relations in Mexico (Secretaria de Relaciones Exteriores, hence the "SRE Permit"). Third, all liens must be released for a property to be transferred. This means that the developer must be ready to remove all constructions loans, debts to contractors and so forth. Again, Tessoro was able to meet the challenge and arrange for clear title.