

**MEETING OF LEASEHOLDERS, LANDLORD AND MANAGING AGENT FOR
WESTDSIDE ONE HELD AT THE RAMADA BIRMINGHAM HOTEL, THE
MAILBOX ON WEDNESDAY OCTOBER 1ST 2008 AT 6.30PM**

A record of the meeting is documented below. An agenda for this meeting had been circulated to those persons present, but due to the absence of the freeholder the ordering of certain items to be raised was altered. The following record details the order of discussion that took place.

Present: David Barrington DB
Jim Dunphy JD
Jason Goh
Paul Hodson
Lyn Hodson
Ben Jackson
Ross Anderson
Samir Desai
Sudhir Desai
Ranjit Badesha
Bimal Patel
Annie Liew
Adam Millward
Carl A Skidmore
Richard Graham

Toni Turner (TT) - County Estate Management (CEM)
Nathan Hockenhull (NH) - CEM

Apologies: Hilary Quinn HQ – Estates & Management (E&M)
Garry Taylor
Leon Williams
Barry Nealon
Kathy Binns
Elettra Ruggeri Stevens
Bob Saddiq
Ken San

Ordinary Business

1.0 Apologies for absence

DB informed the meeting that a number of leaseholders (listed above) had been unable to attend, had offered their apology and returned a signed proxy form. Hilary Quinn, (HQ) an employee of Estates And Management, representing the interests of Wenghold Limited (the landlord) had also offered an apology.

2.0 Residents' Association Report

DB welcomed those present to the meeting, introduced himself and briefly explained his role as secretary of the Residents Association (RA). He also introduced the CEM representatives: Toni Turner (Head of Property Bristol), and Nathan Hockenhull (Property Manager responsible for Westside One). DB explained the circumstances surrounding the absence of HQ and mentioned her

attendance had been a condition set out in the mediation agreement. TT referred to point 6 of the mediation document in which HQ's attendance was a requirement of the meeting. DB provided an overview of the mediation process thus far.

In concluding DB explained the financial implications of running the RA and the considerable personal costs in time and money borne by him. As an example, one letter circulated to all 63 leaseholders could cost up to £25 and many letters had been written on Association and leaseholder matters over a number of years. He sought permission for a retrospective secretary's allowance (£500 per annum) to be awarded from the service charges. The granting of such a sum had been agreed by leaseholders as a reasonable expense at the previous RA meeting but it was being mentioned here so the managing agent could see first hand the express wish of leaseholders to pay Association running costs directly from the service charge. TT suggested the sentiment and decision should also form part of leaseholders' AGM following this meeting and the retrospective award could be properly ratified by vote.

3.0 Landlord Progress Report

DB commented that he would have wished to hand over at this point in the meeting to HQ. DB stated he was made aware of her not wanting to be at this meeting last week, although, HQ had explained to JD (Chair of the RA) prior to this date she would need to leave the meeting early. CEM would be handing out a statement (in the form of a signed pp report attached to this meeting record) from the freeholder. TT confirmed that CEM received first sight of the report today.

TT circulated the report.

DB briefly clarified the last paragraph of the landlord's report. At mediation it had been agreed that a surveyor would be asked to provide a current condition report for the building subject to the majority of the 60% of arrears being collected.

The floor asked for clarification of whether the mediation required the presence of a representative of the freeholder to attend this meeting or whether, as HQ's statement indicated, it was desired by the secretary. DB understood it was a firm requirement set out by the Leasehold Valuation Tribunal mediator, Lady Wilson and that all parties had discussed the importance of the landlord's presence and had signed to this effect. TT confirmed this was her understanding.

DB said the RA was astonished that no one was attending from what is claimed to be a multi-billion pound company with huge resources. He also emphasised the link between CEM and the parent company Estates and Management (E&M) were so intertwined that on occasions it explained why it had been difficult for leaseholders to complain about each of the companies.

At this juncture the floor raised numerous questions regarding the non-attendance, financial support to the property and running of E&M in general. Neither TT nor NH were able to answer these but accepted that they understood the frustrations the entire meeting felt in this regard. In frustration, the floor felt the meeting was immediately rendered irrelevant due to the freeholder's absence. DB pointed out E&M & CEM were viewed as being one and the same and that nothing would be resolved whilst there was confusion. CEM were seemingly unable to do *anything* without the permission of the freeholder.

Several agenda items which were to fall under the Managing Agents Report were then brought up in advance.

DB asked that serious attention be given to the concierge, Ivan Philips, particularly that his Employment Contract and Terms And Conditions of Service are properly issued and clearly explained. Also, his employer details and role was to be set out with clear line management. It was agreed he should be more utilised in the day to day running of the site. NH explained that he has a concierge duty list and always has had.

DB questioned what progress has been made regarding Severn Trent Water and the move to individual water meters and separate resident billing. TT said Severn Trent had been informed no further payments would be made to them by CEM or the freeholder until the arrangements for the reading of individual water meters and separate billing had been put in place.

DB also raised the question of what the £77,000 related to in the year ending 2006/7 financial report. It apparently was owing to York Laurent (the previous managing agent). TT has asked Eden Currie (the accountants who had provided the certified accounts) to provide details of those invoices which had been incorporated into this creditor heading. TT believed it was claimed to be a build up of invoices to be paid by York Laurent on behalf of Westside One. The RA and floor all agreed that without sight or existence of proper invoices then the sum of £77,000 should be written out of the books. Several of the floor attendees commented that Jeremy Chick (York Laurent management) had told them previously that he had lost a number of supporting invoices.

4.0 Managing Agents Progress Report

DB handed over to TT and suggested – in view of the time constraint - that he would interject with “facts” to aid clarity and quantify concern. TT introduced NH and herself. TT suggested CEM should avoid lengthy discussion about individual property concerns/ queries but focus on the bigger picture. DB concurred.

TT began by explaining that the mediation agreement made obligatory requirements of all three parties in attendance (viz: the RA, E&M & CEM). The requirement made of the RA and lessees was key to CEM being able to perform their role and indeed complete the requirements asked of them. Namely the lessees had been invited to pay 60% of all arrears. This was to inject an immediate amount of cash into the property to enable numerous items of maintenance and minor refurbishments to take place. Of today’s date only 9 of 39 debtors had done so. This was inadequate funding.

The floor asked how certain CEM were that all debtors would have received the invoices? TT replied that the RA and CEM had worked together to ensure that the correspondence details were as accurate as could be.

The floor asked what the next step is? TT explained that the remaining leaseholders with arrears will be legally pursued for the entirety of their arrears possibly disallowing them of staged payments or the 60% up front consideration.

The floor asked why the invoices for service charge for the period July 1st – December 31st had not yet been issued? The meeting discussed the lateness of

service charge accounts and ramification of lessees not being billed on time. TT agreed that this was not entirely satisfactory. She is now waiting for consultation with the RA to approve the year ending 2008/09 budget so six-monthly service charge bills can be issued. This was an example of fostering a better working relationship between the agent and RA.

The floor asked what could be done about non-payers? TT explained the credit control process and that the next stage (100% arrears collected from those who have not yet paid) was agreed by mediation. It was clear that most leaseholders present would have normally paid. TT also pointed out that there are various reasons why people may not pay their service charge but there is an element that will deliberately avoid it by ensuring they are very difficult to trace. Part of the delays surrounding credit control have stemmed from partial or incorrect information being supplied to CEM regarding lessees contact details. TT said that the Westside One current account has an approximate £6,000 balance as at today's date but that there are regular monthly outgoings, which have to take precedence over other desirable expenditure items. If all arrears were paid then the account would have in the region of £119,000.

DB added there had been owners where mortgage and re-mortgage fraud is known to have occurred. In respect to these apartments there are repossessions in process, which will result in the money eventually being paid. TT concurred adding that two re-possession have resulted in the Halifax indicating the service charge fund can expect £22,000 of arrears to be paid soon. This is the magnitude of cash injection CEM require that TT described in her introduction.

The floor asked why those who have paid are being penalized? NH explained that CEM were obligated to prioritise certain aspects of the budget for payment, namely buildings insurance, communal electricity, lift maintenance etc. When funding is insufficient then the aesthetically desirable items (e.g. redecoration, window cleaning) clearly have to be postponed in favour of Health and Safety items. NH agreed that the payers were carrying the debtors but were not being penalized by CEM. Nevertheless CEM could understand lessees concerns being expressed at the meeting.

DB moved the meeting onto insurance and the dissatisfaction with the claims process and concerns over the cost of insuring the building. Despite agreement to not delve deeply into personal concerns, (but merely to illustrate what repair work had not been carried out), DB presented photographs of unsatisfactory work carried out on one of the building's skylights. He pointed out that he had been suffering from a leak in the roof above his apartment since November 2007. He also stated that the contractor responsible for the work had passed on disrespectful comments made by employees of CEM about him. The floor and DB provided other examples of dissatisfaction with contractor work. TT confirmed to the meeting that the contractor concerned was no longer used. TT explained that unfortunately the freeholder would be better placed to answer most of the queries raised as they place and oversee the insurance. DB commented that he had seen a list of all E&M residential property sites that itemises the huge amount of commission paid to the freeholder for arranging annual building insurance. It seemed, therefore, the financial and administration support for insurance claims was there yet nothing ever appeared to get done.

DB made reference to some of the newspaper articles which illustrates the prevalent

modus operandi of the property management industry. He expressed concern that Members of Parliament had raised questions on the business structure of E&M which had prompted an Early Day Motion in the House of Commons. Details of this are already in the public domain.

With time pressing and the AGM to follow DB summarised what had been achieved in today's meeting. JD stated that he was content that TT & NH appeared honourable and indeed were gradually improving the situation but felt whilst the current freeholder was involved any efforts were futile and we were all banging our heads against a brick wall.

The floor wanted to know what the next steps were. It was agreed that another meeting should be arranged within the next 21 days between the RA, CEM and E&M to follow on with any progress made to date. It was essential all parties attended and that HQ on behalf of the freeholder should honour the obligation and actively take part as previously agreed at mediation. However, the outcome of a future meeting should not affect any decisions taken by the following AGM as to how the leaseholders would wish to collectively proceed. The leaseholders had a prerogative to discuss as to whether the landlord and/or agent should be retained in any capacity. TT was asked to explain the differences between enfranchisement and RTM; this was provided.

At 8.40pm the meeting of managing agent and leaseholders closed and NH and TT departed.

The above has been prepared by TT, DB and JD and reflects to the best endeavour the discussions that took place.

Nathan Hockenhull
County Estate Management