

CAMBRIDGE PROPERTY SERVICES

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15th September 1999

SCANNED DOCUMENT
Ref.: CHRA0451Reply

Mr A French
Flat 24
Century House
245 Streatham High Road
London SW16 6ER

Our ref: LC 308.24

Dear Mr French,

Thank you for your comments concerning the proposed works to the property. We are pleased that the Residents' Association agrees with the scope of the works, and that the price obtained is reasonable. Since receiving your comments we have reverted to the surveyors for their response to the specific technical points which you have raised. We enclose a copy of their reply which refers to the numbered points used in your observations. With regard to the more general points, I refer below to your numbered points:

1. We have been at pains in our various meetings to demonstrate our willingness and ability to progress the works in full consultation with the Residents' Association and flat owners at the property. We appreciate the history of the matter, and know that residents have strong feelings about this. Nevertheless since our appointment as managing we have made every effort to progress the works, and feel that constant reference to the history does not assist. We can only act from the position we find ourselves in, and cannot unfortunately rectify the unfortunate history.

As noted above, we are pleased that the scope and reasonableness as to the price of the works is now agreed.

4. We are sending out to all flat owners an accountant's certificate for last year's expenditure, a budget for the current year and a demand based on these figures. This gives all flat owners the information requested. We have also specifically offered to provide further information if requested and as necessary to assist those flat owners who wish to apply for a loan or mortgage extension.
5. We note your comment.
8. As you say, this matter has been one of extensive discussion at our meetings. We have taken our own legal advice on the matter and believe that it is correct. We suggest that you take your own advice.

9. Operators of mobile networks have statutory rights to erect aerials as necessary for their use. Therefore Orange could, if the freeholder had not consented, gone to Court to ensure that the aerial was erected. Under the terms of the leases at the property the freeholder is specifically enabled to deal with any part of the building as it sees fit. You suggest that the lessee of the roof space should contribute to the service charge for the property. I do not know what mechanism you envisage, but the current service charge arrangements for lessees are clearly set out in the respective leases. Any alteration in these arrangements would mean altering the lease terms for all flat owners, with the consequent implication in terms of calculating and agreeing any alteration and obviously legal costs, including the legal costs of any mortgagee. I do not think that your suggestion is practical, but obviously you are taking legal advice on the matter.
10. As previously advised, we operate a designated Century House Client Account which is interest bearing. As previously advised, any monies paid by a flat owner are held on trust for the service charge fund for the property. Unfortunately, despite what we thought was a sensible proposal to "ring-fence" pre 1/7/97 arrears whilst we progressed the major works, nine flat owners have made no payment whatsoever in respect of the current period. The freehold owner is therefore not only funding the historic pre 1/7/97 arrears but also a considerable proportion of the expenditure at the property for the last two years.
13. When we received your response, and following our last meeting when you made it clear that despite the Association's recommendation to pay service charge since 1/7/97 you could not compel your members we referred those flat owners who had made no contribution whatsoever to our solicitors for recovery action. Obviously, we must ensure that all flat owners make their contribution to the service charge and the works. As a result several flat owners have now made some payments. Any flat owners who do not make payments will be subject to further debt recovery action. We fully accept that it is our responsibility to do this, and we must ensure that adequate funds are available in order for us to be able to confirm our order for tile works.

I trust the above deals with the balance of the points you raised in respect of the major works.

Unfortunately our debt collection exercise is taking longer than we anticipated. As you know, there is a 24 week programme for the works and it is not feasible to commence the works now. We have accordingly agreed a start date of the week, commencing March 2000 with the contractor. We confirm that (with some persuasion) the contractor will hold his price until then. This will give enough time for flat owners to make their financial arrangements, and for us to pursue debt recovery action if necessary.

Turning to a completely different matter, we have been approached by another mobile phone operator who wishes to erect two further aerials on the roof. As previously advised under (9) above, they are in a position to compel us to allow this if they wish. They have stated that they do not need to build a large cabin as Orange did on the roof if they are able to use the basement room previously designated as a Laundry for their equipment. We have been previously advised by the Residents' Association that they

do not wish for a laundry facility to be provided and accordingly this proposal seems a sensible one in the circumstances. As with the Orange aerial we will ensure that if there is any additional cost implication in respect of the roof works that this is not passed to the service charge account.

Finally, please find enclosed the accounts for 98/99, the accounts for 97/98 re-drawn in statutory format, a budget for the current period and a demand based on these calculations. The budget for the current period is based on the expenditure at the property over the last two years (apart of course for allowance for the major works). As the roof works have now been scheduled for 2000, we have also allowed for redecoration of the internal common parts in 2000. Several flat owners have raised this with us directly and have commented that they would rather this was carried out than the roof works! We have explained that the roof works are necessary to maintain the property even if they do not greatly effect the appearance of the property. However we feel in view of the comments we have received that internal redecoration will receive support from the flat owners. Obviously we will as with the roof works follow the full consultation procedure and only proceed once this has been done.

We trust the above and the enclosed is clear. There is obviously a lot to digest here and we look forward to hearing from you once you have had a chance to consider matters.

Yours sincerely,

Lucy Cummings
Director