

LONDON YARD MANAGEMENT COMPANY LIMITED

MINUTES

OF THE

ANNUAL GENERAL MEETING HELD ON THE 29TH JANUARY 2004

London Yard Directors present: Clive Hawkes - Chair
Rezza Amarinia
Amanda Gilbert
Christoph Noebel
Sandra da Silva
David Thompson

Apologies: Simon Arnold
Mina Bowater

Wood Management: Mark Tamuta

Apologies: Paul Maton

The Chairman called the meeting to order and introduced the Directors and the new Managing Agent of Wood Management, Mark Tamuta.

Minutes of 2003 Annual General Meeting

No comments were received from the floor. At a formal vote by poll to adopt the Minutes the following votes were received:

19 votes for

0 votes against

6 abstentions

The Minutes were formally adopted.

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Directors Report

Managing Agents:

CH outlined the difficulties the Board had experienced with the Managing Agents. The changeover from DGA to Wood Group and the ongoing failure of the Managing Agents prompted the Board to look during the year for a different Agent whom, it was hoped, would be able to provide the required service levels as well as offer value for money. Several companies were invited to tender, all of which were significantly more expensive than current arrangements with the Wood Group and none were wholeheartedly endorsed in references obtained from their existing clients.

At the 11th hour Wood Group appointed Paul Maton as a new Managing Director who was able to offer the Board a new deal. Following several lengthy discussions with the Board, PM agreed to the following:

- (a) To appoint a new experience and designated Account Executive for London Yard.
- (b) To set up a local Docklands office where the designated Account Executive would be based.
- (c) To overhaul the Wood Group management accounts framework.
- (d) To provide a 10% discount on the current years managing agents fee.
- (e) To draw up a new contract..

Therefore, being mindful of obtaining value for money and the inherent risks and disruptions that changing managing agents would mean for the well-being of London Yard, the Board decided to give Woods a last chance.

CH reported that the Board more recently had seen a significant improvement in Woods performance; that Mark Tamuta had been appointed the Account Executive for London Yard (with effect from 1st Feb 2004) and who was in the process of sourcing a Docklands office. The Board expressed the view that it had made the right decision to remain with Wood Group for the time being but stressed that Wood Group continue to be on trial.

Mark introduced himself to the floor, explaining that he was from New Zealand, had lived in London for 2 years and previously worked for DGA before transferring to the Wood Group to take over London Yard. To date he has worked on a small number of big blocks in the Docklands and Rotherhithe areas.

Mark advised that shortly he would be relocating his home to the Docklands area and also setting up Wood Group's Docklands office. His stated aim at London Yard's was to be more available to lessees and he hopes to set up a designated surgery time on site. He said that he felt that London Yard had had a troubled relationship with its managing agent for the last 2 years and that he was looking forward to a long-term commitment and that he hoped to build up Wood Group's reputation based on long-term performance.

Directors leaving the Board:

CH thanked the four former Directors, Christine Inglis, Adrian Drewitt, David Jackson and Michael Donnelly, (who had resigned from the Board in 2003 due to work commitments) for their contributions to the Board and London Yard.

Debtors:

CH advised that the Directors have requested Wood Management to tighten the debt collection procedures and to instruct solicitors to recover any outstanding monies.

General Maintenance of the Estate:

CH reported superficial maintenance had been carried out but the Board was unhappy with the more detailed maintenance provision and scheduling by Wood Management. However, it was stressed that there was every hope that this would be improved

significantly with Mark Tamuta becoming the Account Executive and moving the office to Docklands.

Lighting:

All street lights were scheduled to have replacement globes installed complete with deflector caps, thereby improving the quality of light shed downwards and reducing the amount of light intrusion. Additional floodlights have been installed in order to improve the security on the estate.

Lifts:

Sandra da Silva reported that all the block lifts interiors are to be redecorated and given a modern, contemporary look as part of the planned works to upgrade the Blocks communal areas.

Block External Redecorations:

The Board expressed concern over the delays encountered over the external redecoration exercises. This was largely due to the inferior tender work done by Simmonds & Partners, a company of the Hercules Group, and the breakdown of the working-relationship with Wood Management. With the new agent in place and the plan to seek a new project co-coordinator, it was hoped to have the two major blocks, Frans Hals Court and Van Gogh Court completed by the end of 2004.

Gardening:

The Board is generally pleased with the maintenance of the gardens, but is seeking ways and areas to make improvements. Some new planting was promised for the spring of 2004. As in most AGMs, the Board has asked for volunteers from the shareholders to establish a gardening sub-committee; this is seen as a way to improve the gardens and also to bring some residents together in an informal manner.

Security:

The Board remains generally pleased with the work done by Anthony, the security guard. It was reported that the issue of CCTV was investigated, but the advice given concluded that given the scale of the estate, such a system was not (as yet) feasible and offered little value-for-money.

Communal Satellite System:

The Board would have liked to have made further progress with this project. We have examined our legal position & obtained counsel's opinion that we can install a communal satellite system rather than just maintain a communal analogue and freeview aerial. However, the issue is still a somewhat "gray" area and hence the Board is currently awaiting quotes for a communal satellite system on an individual take-up basis, i.e. individual charges.

A question was received from the floor regarding the position of Freeholders; could they be connected to the communal aerial or would each freeholder be required to install their own aerial in their loft. CH replied that Yes, Freeholders should be able to be linked to the communal aerial. Christoph Noebel advised of a London Yard resident's suggestion involving a set of satellite dishes to increase the number of channels available. The Board is seeking more details on this idea for consideration.

Finance Report:

CH asked Christoph Noebel to comment on the Directors' involvement in the Budget and the funding issue concerning the external re-decorating tasks.

CN advised the floor of Wood Management's serious shortcomings in understanding the budgetary requirements and delivering the raw data necessary to formulate a sensible Budget. As a result the Board decided to take full control of this vital part of the Company's business on which lies the basis of all decision making

After CN had developed a detailed budget model, CN and CH had spent several months working with Woods accounting staff to finalise a Budget. This meant the correct service charges - with the appropriate adjustments - were sent out with some delay. However, CN expressed satisfaction that a long-term solution had been created for the Board to take full control of its financial management and enabling better monitoring facilities. CN further expressed optimism that Wood Management's move to the more advanced ECS accounting system is expected to significantly improve the quality of the financial information flow from Woods to the Board.

On the subject of budgeting for the external re-decoration projects, CN reported that the tender value of the Board's likely contractor offered significant cost savings of between £60,000 and £95,000 in comparison with the other tender quotes. The Board stated it will seek to get more professional project management advice with the view of using this contractor and to carry these works forward.

Despite the difficulties encountered in drawing up the Budget, the Company was deemed to be in good financial health.

Audited Accounts to 31st March 2003

The Audited Accounts for the financial year 2002/3 and the Directors Report was voted on and approved in the following manner:

For – 20

Against – 1

Abstain – 5

The Audited Accounts 2002/03 were therefore formally adopted.

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Election/Re-election of Directors

Three Directors retired on the rotation rule for re-election:

a) Simon Arnold, proposed by Christine Inglis, seconded by Christoph Noebel was re-elected with the votes cast as follows:

For – 20

Against – 6

Abstain – 1

b) Mina Bowater, proposed by Russell G, seconded by Joyce Costa was re-elected with the votes cast as follows;

For – 18
Against – 6
Abstain – 2

c) David Thompson, proposed by Mr Costa, seconded by B Lewinsky was re-elected with the votes cast as follows:

For – 22
Against – 6
No Abstentions.

New Directors Co-opted:

a) Angela Brown, proposed by R Coverson, seconded by C Noebel was elected with the votes cast as follows:

For – 21
Against – 0
Abstentions – 6

b) Jonty Reason, proposed by C Inglis, seconded C Noebel, was elected with the votes cast as follows:

For – 28
Against 0
No abstentions

c) Tim Burton, proposed by R Coverson, seconded by Mr Costa. was elected with the votes cast as follows:

For – 20
Against – 5
Abstains – 2

Re-Appointment of Auditors

The re-appointment of N. R. Pulver & Co. as Company Auditors was Proposed by C Noebel, seconded by Amanda Gilbert Mr Nigel Pulver was re-elected as the Company's auditor with the votes cast as follows: *

For – 20
Against – 5
Abstains – 2

Any Other Business

1. Nicky Osmond raised the issue of parking and erecting barriers blocking off residential areas. The Chairman asked her to offer in writing more detailed suggestions on this subject to the Board.
2. Norman da Silva raised the issue regarding large items being dumped on London Yard. Mark Tamuta replied that he would put a notice out advising

that Tower Hamlets will make free collections from each property and the location of the local tip. He added this is a recurring problem where we have a large turnover of rented properties. He also added that in cases where offenders can be identified they will be notified and charged a removal fee. Nicki Osmond handed the Board a leaflet detailing special collection of non-rubbish items.

3. Conservatory at 276a Manchester Road. The Chairman responded that the Board is aware of the situation, is seeking council opinion and cannot comment more at this stage.
4. Untaxed/Abandoned vehicles. The Board suggested it will investigate the legal position and take action accordingly through the managing agent.
5. Sinking Funds. A number of complaints were made from the floor regarding the increase of the latest service charge fees in relation to the sinking fund and the discrepancy of charges across the blocks. Chair responded that the massive increase in insurance costs has caused increased service charge costs, including terrorism cover which was previously miniscule and had risen to above £15,000 this year. CN explained there was an overall Budget increase of about 15%, but total reserves had to be raised 66.35%, covering shortfalls on some blocks for higher than previously budgeted estimates on external re-decorations and the introduction of a contingency reserve fund for each block.
6. A shareholder complained about the Frans Hals 50% increase in service charge and the fact that no explanation was given in a covering letter. The Chair apologised for this failure and promised an improvement in the reporting of budgetary issues in the future.
7. Lifts. Questions were raised from the floor regarding a re-decoration of lifts. Sandra da Silva replied on behalf of the Board stating it was planned to give the five lifts on the estate a proper make-over in 2004. There was a recommendation from the floor for the board to arrange for an independent assessment to be made of the state of the lifts.
8. The Board offered a vote of thanks to Ron Coverson for managing the car parking scheme for many years. He had requested that it be taken over by someone else, possibly the managing agent.
9. Given the fact that Paul Maton, the Executive Director of Woods responsible for London Yard, could not attend the AGM, it was agreed that Wood Management would fund another meeting with the Shareholders to be held possibly in June 2004.

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There being no further business the meeting was closed.