

**Minutes of Extraordinary General Meeting of Applewood Court Residents
(Swindon) Ltd held at Stanton House Hotel, The Avenue, Stanton Fitzwarren,
Swindon at 7.00pm on 11 March 2003.**

Present:

**David Morris
John Morris
Karen Musty
Georgina Skane**

In attendance:

**Ian Campbell
Stuart Morgan**

Apologies:

**Serena Cant
John Grimwood
Jayne Inch
Ian Manhood
Sarah Maslin
Diana Morris
Phillip Simpson
Mark Simpson
David Starrett
Catherine Wallace**

John Morris was appointed Chairman of the meeting. He confirmed that a quorum of members were present, no previous minutes were available.

1. Update on Company and questions.

Notes (Appendix 1.) were circulated that summarise the legal relationship entered into between the company, the freeholder (Freehold Managers Plc), and the shareholders (members) as leaseholders.

Notes (Appendix 2.) were circulated summarising the legal position of the company and how it is bound by its Memorandum and Articles of Association and obligations placed on it and its Directors by the Companies Act 1985.

Notes (Appendix 3.) were circulated summarising the current position of the company.

The meeting discussed the management of the company. No Annual General Meeting had been called since 2000 (re: 1999 accounts). The last Annual Return of shareholders to Companies House was now some 8 months overdue and the company and its officers are liable to fines as this is a criminal offence. It is of concern that the existing Directors had not replied to correspondence from Solicitors, members or Companies House. (Copy letter from Bower & Bailey - Appendix 4.)

This was of particular concern to members as there is a legal question as to whether ownership of leases can legally be transferred unless shares in the company are also transferred. To date there remain nine unconfirmed lease owners. Previous Annual Returns to Companies House had been incomplete and therefore Companies House has no definitive list of company members.

The obligations of the company were discussed at some length. It was agreed that it is in the interest of all shareholders either as investor landlords or occupiers that the site should be maintained to a high standard

2. Election of Directors - Stuart Morgan

The proposal that Stuart Morgan be appointed a Director was put to the meeting. The resolution was approved by all members present (9 votes representing 25% of members) plus 8 proxies (22%) Total in favour 47% of members. One member voted against by proxy (3%).

The resolution was therefore passed and Mr Morgan was duly appointed a Director. Mr Morgan confirmed that he understood the obligations and duties of his position.

3. Election of Directors - John Morris

The proposal that John Morris be appointed a Director was put to the meeting. The resolution was approved by all members present (9 votes representing 25% of members) plus 9 proxies (25%) Total in favour 50% of members. No members voted against.

The resolution was therefore passed and Mr Morris was duly appointed a Director. Mr Morris confirmed that he understood the obligations and duties of his position.

4. Discussion on the Management of the property and issues arising.

The meeting discussed the obligations of the company towards maintenance of the site.

Several members have raised the issue of **exterior maintenance of woodwork**. It was noted that no preservative treatment had taken place for a number of years and that some of the fascia timbers were in need of replacement where they had gone rotten. It was noted that several shareholders had replaced windows and/or doors with UPVC double-glazing. After discussion it was confirmed and agreed that where the company undertook treatment and painting of external surfaces that all members should share equally in the cost regardless of whether individual flats benefited from double-glazing.

Of concern to several members was the poor level of **lighting on the site**. (Letter from Serena Cant - Appendix 5.) Ian Campbell suggested alternatives and kindly agreed to investigate further.

The state of the line of large **trees** on the site was discussed. These trees appeared to be in need of maintenance as there were several dead branches lodged in them and the base of the trees were producing shoots that require removal. Ian Campbell and Stuart Morgan noted that the large tree between the far end block and the next block was too large and should be cutback to avoid causing structural damage. The tree next to the bin store was also noted to need attention.

Several members had commented on the **un-even paving**. Ian Campbell gave advice on the level of unevenness considered a potential problem to users that could give rise to a legal claim against the company for personal injury.

The **parking** was discussed. It was felt that whilst not a big problem, parking was a bit of a free for all because the spaces were not numbered and turnover of tenants in some of the rented flats who were not aware of the correct allocated space. It was agreed that numbering of spaces was desirable if this could be undertaken at minimal cost. Both plates attached to the ground and numbers sprayed on the kerb-side were discussed. It was felt that the latter might be a cheap expeditious option.

The **common TV reception** was discussed. It was noted that individual aerials and satellite dishes were not permitted. Occupiers had also asked if it were possible to upgrade the aerials to obtain digital TV. Ian Campbell thought that the area was not yet served by a strong terrestrial digital signal but suggested that it was desirable that the common reception should be upgraded ready to receive digital signals. Members agreed that this and common digital satellite reception be installed subject to cost constraints and that.

The meeting discussed the position in respect of the site **Freehold**. The company Memorandum provides for the company acquiring the freehold of the site. The members currently pay a ground rent of £25.00 per annum in arrears on 24 June and risk forfeiture of the lease to the freeholder if this is not paid. David Morris said that he estimated that the freehold might be available for a sum of about £9,000. The members agreed that the company should provide for purchasing the freehold. The members discussed the possibility of the company paying the ground rent direct on behalf of all members and including the cost within the maintenance fee as was usual with most other developments. It was agreed that this should be done (subject to agreement by the Freeholder, which was expected to be obtained).

5. Maintenance Fees

The meeting confirmed that as far as members were aware none had been charged or had paid any maintenance fees since December 2001. Members expected to pay a sum of £225 to 31 March 2002 based on the previous level of charge. In view of the difficulty of tracing previous members and the absence of agreement of a budget in accordance with the terms of the lease it was agreed by members that the maintenance charge be formally set for the period 1 January 2002 to 31 March 2003 at £0.00 (nil).

Maintenance charge for year to 31 March 2004

The members agreed the following estimated costs for the year to 31 March 2004.

Grounds Maintenance	2,920
Lighting – electricity	180
Insurance	2,800
Sundry	100
Lighting maintenance	500
Timber treatment/painting	2,000
TV reception upgrade	800
Accountancy	500
Ground Rent	900
Sinking Fund - Freehold	1,000
Total	11,700
Sinking Fund – Freehold Additional*	1,800
Total	13,500

The total of £13,500 divided by 36 (flats) produces a maintenance charge of £375.00 per flat - due under the terms of the lease no later than 24 June 2003.

The members present discussed the level of charge paid by some of them on similar developments. In all cases the maintenance charge was much lower than the level for other similar property.

Payment options were discussed. The following was agreed:

1. A member could opt to make 10 equal instalments of £37.50 per flat from 24 June and on the 24th of each month thereafter to 24 March 2004 inclusive, by Standing Order or post-dated cheques.
2. If one payment in full of was made on or before the due date of 24 June a reduction of £50.00 could be made, this would result in £325.00 being paid by 24 June.

*Where members opted to pay by instalment the additional funds received would be allocated to the Freehold sinking fund.

It was further agreed that any members who defaulted in payment should pay interest at 8%p.a. over base rate on sums outstanding.

Members agreed that should shareholders sell their lease during the year that the full maintenance charge (of £375) would become payable on the 24 June by the leaseholder (owner) at the 24 June and that the company should not apportion costs between vendor and purchaser. This should be left to the vendor and purchaser, or their Solicitors to apportion. The company should also make a charge of £40 for all information enquiries made to it by potential purchasers or their solicitor.

Supplementary payment of up to £225.00.

Members discussed the current financial position of the company. It was noted that Peter Hodrien had paid the last insurance premium. It was not known if this had been paid out of the balance of funds held by the company or out of Mr Hodrien's own pocket. At such time as the Directors are informed of the

current position and possible level of indebtedness the members agreed that the Directors should have authority to raise a supplementary charge of up to £225 per member in the year to 31 March 2004 to cover any accrued costs. If made this charge would be payable by members in a single instalment.

6. Accounts

Following the presentation of 1999 accounts at the Annual General Meeting held on 22 February 2000 the Directors have not yet provided copies of subsequent Statutory Accounts to members.

Members have not formally adopted the Statutory Accounts for 2000, 2001, and 2002. These have however been filed at Companies House.

7. Date of next Annual General Meeting.

It was agreed that this be held on the 15 April 2003 at 7.00pm. This meeting will include items due to have been included in the 3 AGM's in respect of the 2000, 2001, and 2002 accounts. A further AGM will be called to receive the 2003 accounts as soon as these are available.

There being no further business the meeting closed at 8.30pm

John R Morris FCMA
Director