

MINUTES OF ANNUAL GENERAL MEETING

ST BENEDICTS (TOOTING) MANAGEMENT COMPANY LIMITED

HELD ON WEDNESDAY 30 NOVEMBER 2011 at 7 p.m.

AT ST NICHOLAS CHURCH HALL, CHURCH LANE, TOOTING, SW17

PRESENT: Ravi Joshi (RJ) Director
Kevin Herrmann (KH) Director

Various shareholders as detailed on the Attendance Register.

IN ATTENDANCE: Julian Butcher (JB) Property Manager, Rendall & Rittner
Anita Racz (AR) Assistant Property Manager,
Rendall & Rittner

KH opened the meeting at 7.05 p.m. and welcomed all those present.

Proxy nominations were received from Mr John Leason of 2 Limetree Walk for representation by Mr Ravi Joshi, and Mrs Mary Durkin of 1 St Benedicts Close, Mr David Batchelor of 3 St. Benedicts Close and Mr Robert Bratford of 95 St. Benedicts Close nominated Mr Kevin Herrmann. KH explained that these allowed owners not present to participate in votes affecting them by mandating the nominees how to vote.

1. To receive and approve the Minutes of the AGM held on 1 December 2010.

KH invited those present to comment on the Minutes of the last AGM held on 1st December 2010. No comments were received. The minutes were duly approved with no objections, proposed by Daphne Lucas of 41 Church Lane and seconded by KH.

2. To receive and adopt the Report of the Directors and the Accounts for the year ended 30 June 2011.

KH talked through the accounts and highlighted several areas. These included the change in the format of the accounts, some historic items now resolved and that service charge arrears have been significantly reduced due to Rendall & Rittner's excellent performance in this area. KH then invited those present to ask questions on any items queried. There were no queries. The accounts were approved duly with no objections, proposed by KH, and seconded by RJ.

3. To provide an update on recent maintenance work including work behind 31-36 Abbey Drive, the sewer work and the investigation of defects within blocks in St Benedicts Close.

31 – 36 Abbey Drive: The drainage system was damaged by tree roots and the insurance company covered the costs of the repair. More plants were then added to the garden.

Other Server Work: Another sewer blockage was cleared in St Benedicts Close.

Cracks on the outside walls of blocks in St Benedicts Close: During re-decoration in the summer of 2010, the building contractor and supervising surveyor noticed some cracking on two blocks of flats at a high level underneath the eaves, typically near windows and the concrete trusses supporting the roofs. Subsequently, similar cracking has been found in most of the other blocks by a binocular inspection.

The cause has been determined as thermal expansion of the outer brickwork with there being insufficient expansion joints to allow this to occur without cracking. This is not due to subsidence, the roof support trusses and roofs are undamaged and the cracking only affects the outer layer of facing bricks, not the inner walls. The cracking does not affect the structural integrity of the buildings but does require repair to keep the blocks waterproof and expansion joints need to be

fitted to prevent the problem recurring. The surveyors have confirmed that the defect does not currently pose any health and safety risk.

The board has asked Smith Baxter Surveyors to estimate the costs of rectifying this issue and they estimated £13-15.5k per block which equates to approximately £1,000 per flat. However KH has emphasised that this is only an estimate and the works will be put out for tender. Then the board will be in the position to confirm exact costs. The lessees will be informed about all the estimates and will be able to take part in the tendering process (S20).

The possibility of obtaining compensation from the developers was discussed but KH advised that this is extremely unlikely as the buildings probably complied with Building Regulations at the time and the developers have since ceased to trade and were taken over. The NHBC guarantee lasts ten years and so has long expired.

The directors recommended postponing the cyclical maintenance works (normally undertaken every 4 years) that would be due in 2014, to spread the money that needs to be collected through service charges over a longer period and limit the increase.

Bianka Palazzolo of 97 St Benedicts Close was not satisfied with the quality of recent redecoration works and therefore wants assurance that for dealing with the cracks the board will not necessarily use the cheapest contractor available but will use the contractor who can offer the best value for money. KH confirmed that references will be taken for contractors and that more than the usual number of three contractors will be asked to quote to achieve best value for money.

It was pointed out from the floor that other blocks with cracking were now benefitting from the investigation carried out and paid for by the owners of 73-103 and 105-135 St Benedicts Close. An owner from one of those blocks requested that the cost of the investigation should be spread across all blocks benefitting from it. The Directors discussed and agreed with this and, when put to the meeting for a straw poll, other owners agreed without objection.

4. **To authorise the Directors to allow loans between reserve funds as required to make payments, the loans to be interest free or at a rate of interest not exceeding the bank rate from time to time, provided that any such loan must be repaid by the end of the third company financial year following that in which the loan is made. To authorise the Directors to set service charge contributions in respect of any reserve fund receiving such a loan so as to allow repayment by the date required.**

KH explained that, now that the reserve funds have been split by blocks of flats according to the leases, this may be necessary to provide enough cash to permit repair work to go ahead immediately. The Directors strongly recommended that owners pass this resolution. In answers to questions, the Directors explained how loans would be recovered if a reserve had insufficient cash to make repayment, explained debt recovery procedures and confirmed that normally loans would be interest free, with the provision on interest only being provided so that any interest received on arrears could be credited to the correct fund. KH proposed, RJ seconded and there were no objections. The resolution was passed.

5. **To authorise the Directors to defer periodic redecoration of Estate facilities and the exteriors and common areas of blocks of flats that would otherwise be due in 2014 by one year until 2015. To authorise the Directors to levy reduced service charge contributions to reserve funds accordingly.**

KH explained that the Directors proposed to defer the next periodic maintenance longer than specified in the leases, which requires owner approval. The reason is to limit the service charge increases while repairs are carried out. The Directors strongly recommended that owners pass this resolution. In answer to a question, it was explained that this applies only to periodic maintenance, like re-decoration, and not to routine maintenance. KH proposed, RJ seconded and there were no objections. The resolution was passed.

6. **To cancel all existing permissions granted to owners to sub-let flats on the Estate with effect from 29th February 2012. To require the Directors in future to grant permission for sub-letting as required by the lease only if the flat owner has signed an indemnity for the cost of repairing any damage caused by their tenant or tenants and to require renewal of permission on change of tenant and annually. To require owners currently sub-letting their flats to re-apply for permission on the new terms by 31st January 2012.**

KH explained that the reason for this proposal is that a runaway car demolished part of the wall surrounding the parking area in St Benedicts Close, leaving rubble on the pavement of the public road on the evening of Friday the 10 or morning of Saturday 11 June 2011. Unfortunately, the driver, who was a tenant on the Estate, left without apparently informing his insurance company of the accident or providing a forwarding address. We were left to pursue the claim through our insurance company, as the driver's insurer refused to deal with us directly and it would not have been cost effective to trace the driver to claim from him.

The Directors also explained that the proposal for annual renewal of permission provides an opportunity to ask owners to take action against tenants causing a nuisance to neighbours and may strengthen their ability to do so.

KH explained that the Directors were not making any recommendation on the proposal, designed to protect other owners from issues caused by sub-letting to tenants, and that it was for the majority of owners voting to decide how to proceed.

The Directors explained that they are required by the leases to grant permission to owners to sub-let flats, so this can only be withheld if there is reasonable evidence to support this, backed by a suitable legal authority such as a court, the police or the council.

In the case of damage caused by tenants' deliberate or negligent actions, the cost would first be claimed from the tenants. The cost of accidental damage would continue to be claimed from the Estate's insurance. Only if the tenants failed to pay would the indemnity against the owners benefitting from the sub-letting be used, and they are recommended to have landlord insurance that covers third-party liability.

Ms Painter owning flat 127 St Benedicts Close had great concerns about this proposal because she believes that this will be a disadvantage when she wants to sell her flat as it will deter investor landlords. She explained that she believes there are already provisions in the head lease on indemnity and this resolution is unnecessary.

Other concerns were expressed, including about the period for renewal of permission not matching tenancy agreements and the administration involved. The Directors acknowledged that terms of tenancy agreements could only change when due for renewal and confirmed that handling the permissions was already included in the managing agent work and fees.

Several other owners advised on longstanding issues with "problem tenants" and welcomed the proposal for landlords to re-apply for consent to sub-let. The Directors advised of cases where they were aware that properties had been let without permission and even without proper tenancy agreements, which had made taking action difficult.

There was a request from the floor to separate the issue of an indemnity and just require renewal of permission. KH explained that the resolution could not be amended from the notice of meeting, on which proxy vote instructions had been provided, and that it needed to be passed or rejected.

The resolution was put to the vote. 12 voted in favour with 7 against. The resolution was passed.

7. **To present the result of the investigation by Ms Jacqui Kelly concerning rubbish and recycling.**

Ms J Kelly was not present but had emailed KH with her findings. In summary, she had found no new way forward that would meet the approval of the council and owners.

Those present discussed the issue and felt that the problem was getting worse. A new proposal was made from the floor to investigate providing green or suitably labelled bins in the bin stores that could be used to store recycling bags, which a contractor would then move to the roadside. Concerns were expressed that, as residents ignore or do not understand the many notices already provided, this would not work. The Directors agreed to investigate the cost and report back in the

Newsletter and to the next General Meeting. A further suggestion was made about fitting gates to the stores to deter foxes, but this had previously been rejected as impractical and foxes could just climb over the gates or walls or push open sprung doors without latches.

8. To deal with the election of Directors.

Directors do not now need to retire by rotation and both Mr Ravi Joshi and Mr Kevin Herrmann were willing to continue serving as Directors. When asked, there were no objections from the floor to this. No other owners volunteered to stand as a Director, but three owners kindly volunteered to assist the Directors and provided their contact details: Ms Rubina Painter, Ms Helena Sullivan and Mr Paul Nicholls.

9. Any other business

The London region will switch to digital television in April 2012. The aerial systems in blocks of flats are ready for digital TV and many people are enjoying this already.

The Directors warned that items that had been removed from communal areas of blocks of flats over the past 6 months would be disposed of in December unless claimed by contacting the managing agent.

The Directors provided an update on extending flat leases from 125 to 999 years. A few more owners had done this over the year, raising the uptake to 66%.

The Directors also provided an update on actions from the last General Meeting that had been completed: reducing the accounting work and cost, investigating a water standpipe licence, more CCTV cameras to deter fly-tipping and providing a grit bin.

Owners raised the issue of a local family living opposite the Estate using the Estate car park to break up waste to salvage metal. As the land is private, neither the police nor council would take action. It was noted that the family assist us by recycling metal dumped on the Estate, saving disposal fees, so the Directors will ask the gardeners to speak to them.

Several outstanding issues were raised by owners, including a problem tenant, non-working entry phones and poor cleaning in some areas. The Directors will take up these matters with Rendall and Rittner.

The meeting closed at about 9.15 p.m.