

Dear Fellow Residents of QEP,

Replacement of Managing Agent

Handover

1. In April we wrote to you about the plans to replace Trinity with another Managing Agent as agreed at the last QEPRM AGM. We are pleased to report that Hazelvine Ltd will replace Trinity from 1st July 2007. You should already have received official notification of this from the QEP Residents' Management Company (QEPRMC).

2. This change of Managing Agent should put behind us the mismanagement we have suffered over 4 years. We look forward to working closely with the new Agents to maximise our 'value for money'. Our confidence in Hazelvine is high having consulted other Residents' Associations about their performance. At our request Hazelvine will call a Residents' meeting to introduce themselves soon after they have taken over. If anyone would like to get more involved in working with Hazelvine, please contact QEPRM.

Trinity's demand for additional payment for 2005/6

3. Many of you have asked whether or not to pay the Trinity invoices you received for an additional payment. We reiterate that QEPRM cannot tell you what to do; you alone must decide to pay or not.

4. In our last e-mail about this we advised that you should pay at least the legally required sum, based upon the % of the total Estate Charge stated in your deeds. This is probably little more than half of the sum demanded by Trinity. The difference arises from 3 principal causes;

Trinity's inefficiency

A lower number of completed houses contributing

Trinity's failure to collect enough from the Developers for the landscaped areas

We have taken this up with Trinity and the Developers (via QEPRMC); neither have been willing to comment. Despite this, Trinity are issuing demands threatening legal action to recover the 'debt'.

5. As residents we could each challenge the charge legally, but the sum involved is relatively small. Our deeds have a clause by which the Developers (as the directors of the QEPRMC) could vary the % we have to pay. The pragmatic course is for everyone to pay the full amount demanded while we continue to argue for repayment from the Developers via the QEPRMC; no one wants to have a default registered on their credit record. If we are successful, the amount recovered will be reflected positively in the future accounts.

6. Some residents are concerned about the security of payments made to Trinity. We asked the QEPRMC whether Residents should pay the additional charge to Trinity or Hazelvine. Their reply was;

"The service charge should continue to be paid to Trinity until 30 June. A transfer of all funds will be made from Trinity to Hazelvine. If residents are not happy with this they can wait and pay Hazelvine directly. In either scenario individual residents monies will be safeguarded. From 30 June any outstanding debts will be collected by Hazelvine. Trinity have legal obligations to protect residents' monies."

Should you decide to wait and pay Hazelvine, we strongly recommend you inform Trinity that you will be doing so, and ask them to ensure their legal department removes you from the list of debtors they are pursuing. We also strongly recommend you keep evidence of your instructions to Trinity.

7. Some Residents think that Trinity should either pay part of the overspend or forego an element of their management charge. The QEPRMC view is that;

“Recovery against Trinity will be difficult unless it can be proved that they have acted negligently. Litigation is costly and there will be no guarantee of recovery. The fact that Trinity have accepted termination of their appointment without challenge is a major benefit to everyone.”

Debtor List

8. Residents were also concerned about the large sum (£43,584) attributed to Debtors in the 2005/6 accounts. Again we followed this up on your behalf. The reply from the QEPRMC was;

“Until the accounts are finalised at the end of June it will not be possible to establish the value of outstanding debtors. I understand that the largest debtor due relates to Terrace Hill. I have spoken with Alex Williams from Gascoignes to impress upon her that her client should act proactively and try to resolve the impasse.”

(Terrace Hill own the Commercial Area and Gascoignes are their Managing Agent)

Current Year Accounts

9. Based on previous experience of Trinity it is likely there will be another overspend for this year (2006/7) and we have also raised this with the QEPRMC. They replied; *“Helen Christie from Trinity has confirmed that the accounts to June 07 will be prepared promptly within two months”*; so we should know the position much earlier this year.

I trust you will find this helpful and that it clarifies the current position.

Kind regards

Grace Blake
Chairman, QEPRRA