

Received  
St. Davids Day 2007

Our ref. RS/ML/1899

27<sup>th</sup> February 2007

Mr Graham Winter  
76 Landmark Place  
Churchill Way  
Cardiff  
CF10 2HS

Dear Mr Winter

**Re: Landmark Place, Cardiff**

Further to my letter dated 15<sup>th</sup> February, I have now investigated the matters referred to in your letters dated 4<sup>th</sup> & 6<sup>th</sup> February.

As the body with nominal control of Landmark Place (Management) Ltd, we have appointed Mainstay Residential Ltd to act as Managing Agents. We are in regular contact with Mainstay at all levels and on the basis of the reports we receive as well as through our own inspections, we are satisfied with their work on our behalf. However, if there are specific issues within the development that you feel should be addressed, I would be more than happy to meet with you and Mainstay at Landmark Place to discuss your concerns.

You have stated in your letter that leaseholders have been 'denied control of the Company'. Unfortunately, it has been necessary for us to retain control of the Management Company to allow completion of all leases both residential and commercial. This now having been completed, it is our intention to proceed with the handover of control to the residents and you will shortly receive further communication regarding this matter.

Nonetheless, I am informed that, although the leaseholders have not legally been in control of the Management Company to date, Landmark Place Residents' Committee has played an active part in the management of the scheme through regular meetings with Mainstay. Specifically they have been actively involved in reviewing and amending budgets and expenditure relating to the development. I am not aware of any complaints having been raised either by the committee or by any other leaseholders at Landmark concerning either the management of the scheme or service charge levels.

With regard to the recent increase in management fees, which I understand average £12 per unit per annum, this was approved on the terms set out in the letter sent to all residents dated 16 November 2006.

One of the features of the Commonhold and Leasehold Reform Act 2002 has been the fact that this was essentially primary legislation passed when much of the detail as to how key parts would be enacted was not known. Indeed, I understand that there remain some parts of this Act that, even now, have yet to



come into force. Only gradually have the full implications of these new proposals been developed and fully appreciated both by practitioners and indeed by the legislators themselves. As a result, Mainstay has held back from introducing any fee increases until they were confident that the impact of these changes on their business were known.

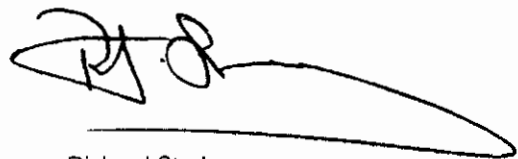
Furthermore, even if such additional costs had been known, you may wish to note that Mainstay entered into its management agreement based on a charge structure and budget devised prior to their involvement with Landmark Place, and were not therefore afforded the opportunity to factor in any such adjustments in the light of anticipated legislation.

I note your suggestion that the additional work required by The Commonhold and Leasehold Reform Act 2002 cannot be classified as non-routine, under the terms of Mainstay's contract. We are entirely satisfied as to the justification of such an increase, and perceive the additional work to be non-routine in that it has not previously been required, and was not envisaged at the point at which budgets were agreed. However, having discussed this matter further with Mainstay, they have agreed on this occasion to defer the increase until the end of the current contract period. Mainstay will confirm this to all lessees in due course.

You have cited the appearance of the Piazza area as evidence of Mainstay's poor management. We are satisfied that this area has been maintained appropriately based upon the original specification. We are aware that with input from the Residents' Committee, steps are being taken that are designed to enhance the overall appearance. Again, I would be happy to meet with you to discuss further any concerns you may have in this area.

I can assure you that I have taken the points you have raised in your letters seriously and may I suggest that if you wish to discuss further any of the matters you have raised that I meet with you at Landmark Place, at your convenience, in order that may satisfactorily resolve matters.

Yours sincerely



Richard Starkey  
**Chief Financial Officer**  
**The Crosby Group plc**

c.c. Andrew Brady