



MARTIN RUSSELL JONES

CHARTERED SURVEYORS

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London, NW4 3JL

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To All Lessees
Jefferson House
Basil Street
LONDON
SW3 1 AX

Our Ref. JH/PMR

7 June 2001

Dear Lessee

JEFFERSON HOUSE

You will have noticed that the Porter has been re-housed in the hallway in a new office which has been built as planned some time ago. The Porter will now be located in the lobby during his normal working hours and a post box has been provided for any keys or mail to be delivered during any absences. Clearly, the advantage of this arrangement is that the building will be more secure. When the Porter is in attendance, he will request all visitors, seeking keys to any property in the building, to sign a Visitors' Book in the interests of security.

There have been a number of complaints concerning rubbish left in the common areas of the building at times when the Porter is not in attendance at the property. This is particularly relevant at the weekend when the Porter leaves at 12.00 noon on Saturday. We have, therefore, arranged for a push bar fire exit mechanism to be installed on the lower ground floor exit door adjacent to the electric meters. This gives access to the light well where the rubbish room is situated. Between 12.00 noon Saturday and 9.00 p.m. Sunday, and between 4.00 p.m. and 10.00 p.m. Monday to Friday, please would you ensure that any rubbish is either deposited in the rubbish room, or left in your flat.

There have been a number of complaints in relation to cooking smells. Would you please ensure that when you cook appropriate ventilation is used, either by way of extraction or opening windows, so that no offence is caused to any other occupiers of the property.

We now turn to the matter of works required to the building. Pursuant to the terms of the Head Lease and Underleases held on the property, there is an obligation to carry out works to the property at the relevant time. These works are now overdue and it is planned to carry out

Works were only started in Sep 2004 at'd.....

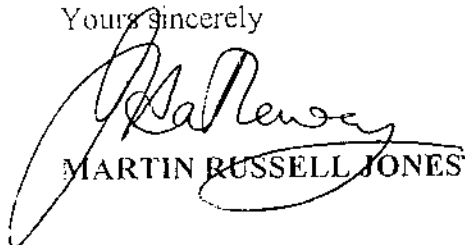
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a programme of refurbishment in accordance with the Terms of the Leases on the building in the near future. It has been arranged that an independent Building Surveyor will prepare a Report and Cost Estimate in relation to the works required. At present, there is approximately £125,000.00 in the Reserve Fund, but in view of the scope of works required to be carried out it is anticipated that this sum will be inadequate to meet the costs. This means that once the Specifications have been prepared and estimates obtained, a Landlord & Tenant Act 1985 Notice will be served on you giving details of the additional payment required from you, so that the full cost of the works will be available to enable them to be undertaken.

As soon as the Report is completed, it will be made available for inspection and comment. It is planned to commence the internal refurbishment in the Autumn, with the external refurbishment to follow on next Spring. The building will require scaffolding and you may wish to implement any arrangements in anticipation of this timescale, including advising your contents insurers.

Finally, would you please note that in accordance with the statutory obligation upon our Client Company, all formal notices pursuant to the terms of your Lease and any Act of Parliament that require service should be served upon Steel Services Limited at 5 Watford Way, Hendon, London NW4 3JL. All other relevant correspondence and Notices should be forwarded to Steel Services Limited, care of this firm.

Yours sincerely


MARTIN RUSSELL JONES