



ODT

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Mr & Mrs T Coady
3B Sussex Heights
St Margarets Place
BRIGHTON BN1 2FQ

Our Ref: JD/SEHN/SxHeights
Direct Line (01273) 710716

Your Ref:
Date: 30 November 2006
E-Mail: jdonegan@odt.uk.com

Dear Mr Coady

LEASE EXTENSIONS – SUSSEX HEIGHTS

I have been consulted by a group of residents interested in extending the leases on their flats at Sussex Heights. I understand that you have expressed an interest in extending the lease for your flat, as part of this group.

I recommend that the leaseholders first obtain a valuation of the likely premiums payable for each of the extensions. I have suggested to the Board that Stewart Gray of Austin Gray prepares the valuation. Stewart has considerable experience in this field and is an extremely effective negotiator.

Once the valuation is to hand, the best course is to approach the freeholders to see whether terms can be agreed for voluntary lease extensions, without the need to serve formal Notices under the legislation. If the freeholders agree to reasonable terms then this could result in a saving in legal and valuation fees of approximately £1,000 per flat. If terms cannot be agreed then we may need to obtain a more detailed valuation report before serving the formal Notices.

The group's representatives have asked me to confirm that, from our considerable experience of the lease extension process, acting collectively can result in considerable costs savings (rather than leaseholders acting individually). In this regard, the larger the group the greater is your bargaining power.

Assuming that this firm is instructed to deal with at least **20 lease extensions** at the same time then our costs will be as follows:

1. If terms can be agreed without the need to serve formal Notices then our charges would be **£275 plus VAT per flat**. In addition there would be Land Registry fees of £62 per flat (total £385.12).
2. If terms can be agreed after we serve formal Notices but without the need to issue an application to the LVT then our fees would be **£450 plus VAT per flat**. In addition there would be Land Registry fees of £102 per flat (total £630.75). This figure includes our fees for step 1 overleaf.

3. If we need to issue an application to the LVT but terms are agreed without a final hearing then our fees would be **£650 plus VAT per flat** and the Land Registry fees of £102 (total £865.75). This figure includes our fees for steps 1 and 2.
4. If the case proceeds to a fully contested LVT hearing then our fees would be **£800 plus VAT per flat** and the Land Registry fees of £102 (total £1,042). This figure includes our fees for steps 1-3.

If we are instructed to deal with more than **40 lease extensions** at the same time, then we will be able to offer slightly improved terms and I will write to you on this point, once I know the final number of flats. Please note that the fees quoted above do not include the freeholders' costs or Stewart Gray's fees.

If you wish to instruct this firm to act for you as part of the Sussex Heights group, please complete and return the attached copy of this letter. Please also sign and return one copy of our terms of business, which are enclosed in duplicate. I will also need you to supply the documents requested at paragraph 13 of the terms of business, to comply with Money Laundering Regulations.

At a meeting of the Sussex Heights on 03 November it was agreed that each participating flat should pay an initial sum of £500 on account of costs and disbursements and the valuation fees. I ask that you also supply me with a cheque for this sum, made payable to Osler Donegan Taylor, when you return the documents mentioned above. I enclose a stamped addressed envelope for returning the cheque and the various documents.

The informal negotiation is very group-dependent; the larger the group the more attractive the terms both for leaseholders and freeholder. For this reason, I would strongly urge you to return the documents and cheque to me, at the earliest possible time. This will enable Stewart Gray to prepare his initial valuation and for an approach to be made to the freeholders. If I receive a minimum of 20 instructions by 15 December, we can begin work before the Christmas and New Year break. I would remind you that acting as part of a group results in considerable costs savings compared with acting individually.

If you have any queries regarding the process of extending your lease or any other aspect of this letter then please feel free to call me. Kind regards.

Yours sincerely,

**JEREMY DONEGAN
OSLER DONEGAN TAYLOR**

I WISH TO INSTRUCT OSLER DONEGAN TAYLOR, UPON THE TERMS SET OUT ABOVE

SIGNED.....*Theresa*.....

DATED.....*15.12.06*.....

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