

PAVILION COURT LTD

Company Number 1509144
Pavilion Court
Marine Terrace
Folkestone
Kent CT20 1QB

3 March 1998

Special Offer!

A new and exciting offer from Pavilion Court Ltd. Would you like to:-

- a Visit new and unusual places where you may never have been before
- b Meet new and influential people who can have a profound effect on your life
- c Receive letters from total strangers anxious to correspond with you
- d Receive a personal letter from your bank manager
- e Relieve yourself of some of the stress of modern life
- f Receive new employment opportunities

All this will cost you only £80, a sum which will be added to your maintenance charges when the Court summons is issued for non payment of arrears of service charges.

One of your directors recently took a trip to the local County Court and obtained a large supply of form N1. What is form N1? A number of debtors will find out by the end of March at which time these forms will be submitted to the court together with the appropriate court fee of £80, and in due course you will have to appear in court (see a above) and convince the judge (see b above) that you should not pay your service charges. The court will write you many letters (see c above) as will the credit reference agencies and your bank manager (see d above) and you will no longer have to worry about paying hire purchase or credit card bills (see e above) as credit will be unobtainable. Some may have a condition concerning county court judgements in their employment contract which will result in disciplinary action (see f above) and may involve dismissal.

Of course all this may be avoided by paying your service charges in full or by sending a written **payment plan**, witnessed by a professional person, with the same qualifications as required for a passport authorisation. You may use the form at the end of this newsletter or prepare one of your own. Initially your **payment plan** should be agreed with one of the directors and **must** include a substantial initial deposit (at least 10% of debt) in cleared funds before 28 March 1998. On receipt of the **payment plan** Court action will be withheld until the first default of your payment plan.

Even if you think that you have a payment plan in place please submit a new plan as this will avoid any possible misunderstandings.

Every debtor without a written payment plan will be taken to Court. There will be no exceptions. County Court Summons forms (N1) will be processed on Sunday 29 March 1998 and posted to the Court on Monday 30 March 1998.

Overdraft

You may be wondering why the above statement and those following are so draconian. On 26 February our service charge account became overdrawn and money had to be transferred from the Roof fund account. The only reason for this overdraft is the lack of payments from long term debtors. This situation has to be brought to a swift conclusion, particularly as there are some who have made no payment for more than three years. Pavilion court is not a 'Free Lunch'.

Directors: Peter Chester, Dr. D J Price, Mrs E Pennington, Mrs. B Smith

Secretary: Mrs Pat Hastings

Freehold

A large number of leaseholders are still just that, leaseholders. Your directors worked very hard over a period of more than a year to obtain the freehold on behalf of all the owners and yet few have taken the opportunity to buy. Since the money for the purchase was borrowed from the roof fund, and as many of you are aware the roof is in desperate need of repair, we have little choice but to sell on those leaseholds which have not been purchased. Please be aware that the offer to purchase your freehold will be withdrawn by mid 1998 and that the opportunity to convert the whole block to a commonhold will be lost forever. The roof is in desperate need of repair, we have little choice but to sell on those leaseholds which have not been purchased. Your flat will be severely devalued, and the new owner may be a 'Rackman' who will impose draconian service charges. Is this what you want?

At the foot of this letter is a voting form which will enable you to vote on the issue of increasing the capital of the company to accommodate 100 new 'Freehold' shares, a motion which is being submitted as an ordinary motion requiring a 50% majority of those voting. This is to enable the conversion to a 'commonhold' to be formalised, and to keep a proper auditable record of those who have purchased their share of the freehold. This voting form must be returned by 28 March 1998, why not take the opportunity to save on postage by including your service charge contribution. Those of you who listened to Moneybox Live at 11:30 on Monday 2 March 1998 will have heard that the formation of a company to hold the freehold on behalf of all the leaseholders is the recommended option. In our case we are fortunate in having a limited company in common ownership, Pavilion Court Ltd.

Note that the companies act requires that an opportunity be given for this motion to be debated at an EGM if there are sufficient shareholders (10%) who require such a debate. If you would like to hold an EGM please write to Pavilion Court Ltd before 28 March 1998. A postal ballot is preferable as this will save the company, and hence the leaseholders, several hundred pounds.

Ground Rent

A number of leaseholders have attempted to avoid payment of their service charges and at the same time ensure that their flats are not subject to repossession by making a payment of £25 with the instruction that this is to be the payment of ground rent. This is a ploy which the directors deplore and accordingly have drawn up a schedule of priorities which many of you will recognise as mimicking one of the rules of credit card payments. These are detailed below under 'Credits to Service Charge Account'.

Please note that all flat owners, leaseholders or freeholders, pay a contribution to the caretakers flat of £48 per year. One of the advantages of being a freeholder is that the income from the caretakers flat (£4,800) is divided amongst the 100 Freehold shareholders, who thus obtain a payment of £48 per year.

Credits to Service Charge Account

Any amount credited to your service charge account will be applied in the following order:-

1. Debt collectors or court fee
2. Charges to account
3. Interest on arrears of service charges
4. Service charge arrears
5. Current half year service charges
6. Service charges due but not yet shown on account
7. Caretakers ground rent
8. Ground rent on property

Any credit balance will be used to offset future service charges or, on request, to purchase the appropriate share of the freehold. The freehold can only be purchased as a complete entity.

Please note that credits to your service charge account must be in the form of cleared funds in the account of Pavilion Court Ltd by the payment date shown on the statement.

Voting Form

Motion: To increase the share capital of Pavilion Court Ltd by 100 preference shares, with a nominal value of £1 each, to be issued to those who have purchased their share of the freehold. 28 March 1998	
Each share will carry one vote on matters concerning the freehold and will automatically receive a dividend equivalent to 1% of the annual ground rent on the caretakers flat.	
Name	Flat Number
Address	
Signature	
I wish to cast my vote as follows (please mark relevant box):-	
<input checked="" type="checkbox"/> For the motion	<input type="checkbox"/> Against the motion
Post completed form to Pavilion Court Ltd to arrive not later than 28 March 1998	

Payment Plan

Initial payment must be received in cleared funds in the account of Pavilion Court Ltd by 28 March 1998

Leaseholder	Flat Number
Name	
Address	
Signature	
Witness	
Name	
Address	
Occupation	
Signature	

I agree to pay to Pavilion Court Ltd the sum of¹ every month until my service charge account is cleared. I enclose a cheque for² as my first payment.

Interest at 2% per month will be charged on outstanding debts.

¹ The monthly payment must be at least 5% of the outstanding debt.

² The first payment must be at least 10% of the outstanding debt or £50 whichever is the greater sum.