

PROPRIETOR'S ASSOCIATION GLASGOW HARBOUR (TWD)

MINUTES OF 3RD AGM ON THURSDAY 18TH OCTOBER 2012

St Peter's Church Hall, Chancellor Street/White Street Partick, Glasgow at 7pm
Attendees: Malcolm Carrick (MC), Alicia Salceda(AS), Alan McClelland(AM), Kathleen Grace(KG), Rod McKendrick(RM), Stephen Gray(SG), Simon McGillivray(SM), Donald Hart(DH), John Midghall(JM), Liz McGlinchey(LM) David Doran(DD) H&P, Colin Devon(CD)H&P. Tom McGuire (newly elected)(TM) and Annette Gray(AG)(newly elected)

Apologies : Alan Waugh

After the registration of attendees, conducted by Murdo MacDonald and David Doran (H&P) the meeting was brought to order by Liz McGlinchey who delivered the safety and housekeeping information before handing the meeting over to our departing Chairperson Malcolm Carrick.

Malcolm introduced David Doran and Colin Devon from Hacking & Paterson then all committee members present, noting apologies received from Alan Waugh who was unable to attend.

ITEM 2 CHAIRMAN'S REPORT

Malcolm began his report by confirming the conditions of our title deeds require a 20% attendance either in person or by proxy to fulfill the terms by which the committee can continue acting on behalf of all fellow owners. The total in attendance including proxies was 55 short by 10 of the 65 required. In this situation, H&P as designated factors have the authority to allow the committee to continue or not, however DD confirmed the acceptance of the committee to continue.

Malcolm then proceeded to thank our sub committee members who play a vital role on many different projects. Namely Annette Gray, Murdo MacDonald, Liz Tracey, Euan Miller Alan Henderson and Alex Bailey. Advising his intention to step down from the role of Chairman and from active committee member, Malcolm pledged to continue to support the development. He acknowledged having served since moving to the Harbour 7 years ago, meeting every 4-6 weeks as a committee since before it was established formally 3 years ago adding, " it has been tough at times amassing 1500-2,000 emails whilst getting our teeth into many issues". With many new challenges on the horizon Malcolm pledged to stay involved as a sub committee member. Over this past year we have received new members John and Donald to the committee who along with all of the team have dedicated many hours and effort into achieving higher standards of service from Glasgow Harbour Ltd improving the

upkeep of our external areas, production of the newsletters, the well overdue redecoration work currently underway, evaluation of the role of the Development Maintenance Operative (DMO), Window and Communal cleaning contracts recognising the immense success which Stephen Gray achieved in securing a £20,000 rebate on our common electricity bill. He further advised that one of our biggest costs also one of his biggest frustrations, is the building insurance contract. Having lived here now for 7 years, MC advised that he is still involved with the developer to address the water ingress problems which he has escalated to NHBC and will continue to drive forward. Acknowledging the ongoing complaints from owners around lighting inefficiencies, anti social matters such as dog fouling, smokers who cause anxiety and damage due irresponsible disposal of cigarettes are all particularly difficult for everyone as are the problems we need to bear due to the costs involved in the extensive maintenance and repair of the cables. All of these issues have been pursued by the committee and will continue to be on the agenda for improvement.

Malcolm then gave thanks to the commitment of Simon, Stephen and Alan W. from their involvement on the committee to their service to fellow Owners as they step down from the committee, reiterating our thanks for all of their hard work and huge amounts of their own time spent.

The meeting was then handed over to Simon for his report on his work with our many contracts.

ITEM 3 MEMBER'S REPORTS

Simon began by listing many of the contracts we have, Lifts, Lighting, Window Clening,,Door Entry, Gates, Fire Alarms, Smoke Vents, Water Pumps and Water Tanks, Cradle maintenance and CCTV to give everyone an idea of the scale of our development which he highlighted runs like a commercial building. Addressing the window cleaning contract Simon advised that along with Kathleen they had reviewed our requirements , highlighting all windows which need to be cleaned. Having contacted a number of companies, Caledonian Cleaning were identified as able to meet our needs therefore a walkaround was arranged to seek their input, advice and quotation. They advised we use abseiling, quoted £17,460 per annum for cleaning 4 times a year. This is down from 6 times per year on the previous contract however a vote was taken by the committee to try this new method in the hope that this will improve the quality of clean whilst keeping the overall cost at bay, saving £300 per annum.

As per our deeds, Simon maintained that by going out to tender can save us money, using the Lift contract as an example. The contract from Kone to Apollo was negotiated as a like for like contract, except for malicious damage, with a saving in

the 2nd year from £18,500 to £12,300. Currently there is work ongoing on grounds maintenance and smoke vents.

Simon then handed over to Liz to report on behalf of Kathleen and John's work with the DMO role.

Addressing the meeting Liz reminded everyone that the Concierge had been on the development since the first owners arrived 7 years before and whilst the development had been growing, the role of the concierge, now DMO, had also been growing and has changed completely to match the needs of a fully occupied development. Acting on growing feedback from owner's Kathleen and John met with H&P and the CORP who supply the personnel for our development to discuss the changes to the role and agree a new contract. Unfortunately this proved unsuccessful as many of the task identified could not be fulfilled due to the extensive amount of time spent already on bin duties, dealing with contractors and deliveries throughout the day leaving little time for the newly identified cleaning and light maintenance. This outcome has led to a reconsideration of the role, coming to the conclusion that in order to facilitate the small repair type of maintenance and specific additional cleaning which is required a couple of times per year, i.e basement bin stores etc, we might better utilise the time of the DMO during core hours i.e. reducing from 12 hour shifts daily to core hours on weekdays and half days on weekends. i.e currently we pay for cover 7 days per week from 7am to 7pm. The proposal is to reduce these hours to 8am to 6pm Monday to Friday and reduce weekend coverage to 8am to 2pm. By reducing these hours we could then fund the targeted cleaning as we did recently for the bin stores, without increasing our overall costs whilst still delivering the DMO service where it is needed most.

Liz then asked the audience to vote on the new proposals by a show of hands – unanimous support recorded and noted by LM and DD. ACTION KG/JM

Liz then called upon Alan McClelland to deliver his report on Costs versus Last Year and the Fabric Fund.

Alan directed the meeting to the breakdown of costs shown demonstrated by pie charts available for the last two years and highlighting the shift in proportion of costs, notably the increase in insurance costs from £100,000 approx to £177,000 due in part to the high number of claims during the previous year. Offset favourably by the £20,000 saving on electricity which Stephen secured helping to ease the impact of this increase. Alan advised that where possible the committee had been effective in keeping costs the same however in the current climate all costs have a potential to rise and reiterating what Simon has said, our development size means that we need to pay for the many running costs on a commercial scale.

The Fabric Fund as you know has been running now for a year and has enabled us to

go ahead with the decoration of landings and ground entrance areas following a reconsideration of our original plan to tackle the basements. This was due to the water ingress problems which are now being pursued by MC and the builders. The current phase of decorating is due to be complete by the first week in November, having seen 3 teams of painters covering the workload at a total cost of approx £34,000. We believe we have achieved a good price for this work which has seen 13 units painted and the ground entrances wallpapered in a bid to enhance the feel and condition of the entrances to a more acceptable standard. With this in mind, we are now at a stage of adding some wall hangings and would value your input by voting on whether you prefer Old Glasgow scenes or Modern Glasgow scenes.

A SHOW OF HANDS WAS ASKED FOR OLD OR MODERN WITH MODERN RECEIVING THE MAJORITY VOTE OF 33 OUT OF A POSSIBLE 55.

A second vote was requested of the audience requesting an increase in the fabric fund to approx £30.00 from approx £25.00 per household per quarter. (pro-rated by apartment size). Alan explained that in order for us to attend to necessary common area maintenance in particular we have identified that in the future carpets will need cleaning, basements will need complete overhaul, need to deal with algae on the render throughout the development etc etc, it is essential that we hold sufficient funds to avoid having to delay or be caught out unnecessarily in our responsibility to the upkeep of our homes.

A SHOW OF HANDS WAS ASKED AGAIN OF THE AUDIENCE OF THOSE IN FAVOUR OF THE INCREASE: COUNT IN FAVOUR 33 THOSE AGAINST 0

Thanking Alan for his update, Liz then called upon David Doran of Hacking & Paterson to oversee the standing down of the committee and election of new members Tom McGuire and Annette Gray also the re – election of those remaining on the committee by a show of hands.

It was confirmed that our Chairman Malcolm Carrick would step down as would Alan Waugh and Stephen Gray and Simon McGillivray David extended his thanks on behalf of the committee and themselves for the time and commitment made by all four members over the years, acknowledging the fact of their passion to do the best for all at Glasgow Harbour and acknowledging that he gets paid to do the work unlike our committee who have the best interests of the owners at heart.

CALLING OUT THE NAMES, DAVID REQUESTED A SHOW OF HANDS UNANIMOUSLY VOTING IN THE NEW AND RE-ELECTED MEMBERS. Alicia Salceda, Alan McClelland, Kathleen Grace, Rod McKendrick, Donald Hart, John Midghall and Liz McGlinchey were re-elected onto the committee Tom McGuire and Annette Gray were newly elected onto the committee. The election of Chair and Vice Chair will be held at a future date during a regular committee meeting.

David then asked those in attendance for anyone who has an interest in joining the committee either as a full member or as on a sub committee basis to make themselves known to one of the committee at the end of the meeting, acknowledging that not everyone may wish to speak out in public. He made the point that everyone is most welcome to assist in any small way they can provide however reiterated the only criteria being that they are an owner and are fully paid up with all factor bills.

Handing back to Liz, Alan Henderson was called upon to deliver his report on the ongoing insurance review.

AH introduced himself to the meeting as an owner at Glasgow Harbour whilst living at Western Harbour in Edinburgh, a similar development. Alan began by advising that he believed what we are paying is vastly expensive, listing the total sum insured as £92,million at Glasgow Harbour's 321 flats and comparing to Western harbour's 270 flats which have been insured for £72million.

Western Harbour had previously the same issues as GH in terms of high premiums and decided to put out to tender for the services of a professional survey whereby 20 flats were surveyed over two and a half days to provide a draft layout of all types to be included. This report concluded that the rebuild value and premium should be £49million, a reduction of £23million. The second issue at GH is regarding the claims history which includes small claims of £40, £50 and £60 which he believes could better be absorbed as repairs rather than claimed. VAT was noted by the review as not required for new properties, providing an example of the difference between partial rebuild due fire or no fire where no vat is payable, this fact endorsed by NHBC following their investigations. Reiterating the three points, Sum Assured, Claims if properly used and VAT being reduced this would reduce the commission payable to the factors. Taking all these facts to their factor, the owners requested 3 tenders from 3 different brokers, they then received quotations of £72,000, £64,000 and £54,000 giving a reduction in premium. Alan then launched a barrage of questions to DD of H&P requesting if they were willing to enter into discussions prior to the May renewal, if not why not. Are you able to provide information on claims history? If not why not and Are you willing to go on an open tender basis with the caveat that quotes must be like for like, same cover and excess etc? David then tried to provide a response to the multiple questions adding that H&P had never withheld any information.

MC then joined the discussion advising that we had raised issues prior to this year's renewal regarding the sum assured and the fact that the sums assured include VAT.

DD replied that ultimately it is up to the owners, as per the Title Deeds we place the tender out on a like for like basis. Alan advised that to his knowledge the previous renewal took place prior to all the requested information being available.

DD replied that if the committee or anyone can provide a similar and adequate cover then yes they are able to submit a quote.

AH then put questions to DD again would you accept 3 independent broker's quotations, giving the committee the prerogative to decide? To recap are you willing to look at the findings with the committee? And will you provide all the information required?

DD advised Absolutely. If we are involved as a broker, as indeed every broker, will look for a fee from that. AH then asked DD if he would enter into a discussion however DD advised that they would not enter into a discussion with any other broker. AH pursued his understanding with more questioning before AM put the question to DD of why H&P and all other factors for that matter should the factor get more commission when the premium goes up, why do they collect more money for the same job?

DD answered that they only take instruction from owners as to whether they want to make a claim then we have no authority to say otherwise, we will do as they say.

Euan Miller (EM) then questioned from the audience, Why would H&P not advise otherwise when they are aware that by pushing through claims will increase the premiums the following year. Colin Devon then interjected to answer that the owner can intimate a claim and would certainly not be pushed through by H&P, stating " its not in our interest to do that."

MC then interjected into the discussion advising his frustrations at the many water damage claims whereby there had been no management by H&P or the Insurers to look at possible reasons nor any action to try and find solution or claims back to the builders.

EM then posed a question regarding the reference to individual damage to contents and parts, claiming that the policy would not be appropriate. An open dialogue then ensued with comments around what was appropriate as contents and fixtures, with CD reiterating that he agreed it would be best to get a broker to get quotes through and we will get together and talk about this.

Liz then interjected to request the purpose of AH's report, raising the question was he looking to secure a vote on a second survey? In an attempt to move the meeting forward. It was agreed that H&P would provide AH with the information requested and the new committee to discuss next step at our next meeting.

Without a breather, DD was then asked to deliver his report on behalf of H&P.

ITEM 5 HACKING & PATERSON UPDATE David Doran (Director)

David began by providing the meeting with the latest debt figures, currently we have £155,000 in respect of 65 flats in arrears, plus a similar quantity at various stages of late payment. He advised that H&P had been closely monitoring the situation and the feeling is that the situation is untenable whereby serious consideration is being given to walking away from the development. The debt situation continues to be horrendous with £144,700 outstanding in arrears another 67 bad debts owing 2 accounts or more and 41 owners not paid August account at another £20,000. Since the last update a total of £71,000 has been collected making us in deficit at this point in time by £215,000. The float is £181,900 as of today H&P are funding £33,000 with another month to go before another account can be issued, reiterating that the situation is untenable and that H&P shouldn't be in this position.

AM asked DD how the Direct Debits which are paid in advance are counted in this figure of £33,000 of deficit. DD advised that the direct debit system works in arrears to which AM and others questioned the arrears situation as they believed they were paying the account in advance. AM questioned again where these figures were in the reckoning, DD advised they were not taken into account as they were seen as money coming in regularly therefore the will to pay had been established albeit in arrears. After further questioning around everyone's understanding, DD reiterated his view that their systems worked in arrears and had not been calculated in these figures.

AH then questioned the fact that if everyone paid their float and set up their direct debit when concluding the purchase of their flat then surely the direct debit must work in advance giving a credit balance in every account. David then reminded everyone that they had not received any money at all, not a penny, from 67 flats and are currently funding them. A discussion ensued around the direct debit forms being made available which DD advised are sent out with the initial paperwork and title deeds etc. DD then advised that H&P cannot go on as they have no money to pay the electricity bill and no money to pay the concierge. Val Bell interjected to say that we've been listening to this for years, then SG advised DD that in all our meetings and past discussions we have never once heard that the situation is untenable. We've been lead to believe that the debts were improving, at no time have we had the discussion that things are as bad as you are saying now.

DD advised that they had part funded the Fabric Fund on behalf of all of the non payers in light of the fact that this was a worthwhile and visible benefit to the whole development. H&P want to manage the debt problem, if we don't do something it could go the same way as Kingston Quay, with inconceivable costs for your

development. The owners can find another factor, we wouldn't stand in your way.

A question was put to DD regarding the situation if a non payer has an insurance claim, will they get a pay out?

David advised, we would not handle the admin but yes the company would pay out. The building would be insured as a whole but we wouldn't pay their proportion. This then led to another discussion as questions were raised around the effective management and collection of the debt with EM asking why H&P do not add interest to the bad debtors as per the title deeds. David advised that it is not H&P policy to add to people's debts with SG asking if they have the facility to do so, DD replied, No it would be too costly to implement and not be helpful to agreeing settlement terms.

EM then asked what is the level of debt recovered last year and previous year plus expenses. Euan also raised the question of why H&P did not apply interest for late payment? DD advised that this is H&P policy not to add to a difficulty to an already difficult situation for those trying to pay. EM challenged the conditions of the deeds which does allow this, advising that in a situation whereby someone trying to prioritise their debt would overlook this account in favour of paying one which did accrue interest to avoid an increase in costs.

DD explained that the float is held to pay for all outgoings over the 3 month period, being topped up when the quarterly accounts are paid however with the current level of debt, the float is not being covered therefore H&P are out of pocket every quarter.

AG asked the question of why we always see the same builders and contractors at the development, why were we not utilising other companies to ensure we get the best deals. CD replied advising that he has been working with the committee to use different companies where possible. It is a worthwhile policy to use contractors who know and understand the development therefore it can sometimes seem to be the same people. He advised that he had been working very well with SM in bringing in new suppliers when renewing contracts and will be constantly looking at this.

LM requested that in order to address the questions of the owners with regard to the need to increase the floats and that lack of information released, would H&P agree to another meeting being held within a short period of time. DD advised yes he is in agreement.

On drawing the meeting to eventual order, Liz asked for one last questions which were deemed important and had not been covered, confirming that the meeting had already gone 15minutes over our planned time.

Muriel Hickson put her question regarding the handling of a damaged membrane due to cigarette ends being thrown onto her property resulting in an insurance claim, advising CD that she now considered this poor advice. CD answered as he had dealt with this matter, advising that he believed he had handled the situation appropriately given that he had asked Hugh Scott who were already on site to assess the damage and report back. The subsequent claim was due to the decision made.

ITEM 7 – Change to item 3.1 of the constitution.

Before closing the meeting LM requested a vote by show of hands in respect of an increase to the number of committee members allowed from 12 to 15 to enable one person to be responsible for each of the 13 units providing an additional person for each of the two towers.

A show of hands indicated a unanimous acceptance and the motion was carried.

Meeting closed at 8.45 with LM thanking everyone for their attendance and input noting that item 6, proprietors feedback both from advance receipt of the priority documents and from notes on our questions poster from tonights meeting was not being addressed due to the overrun of the meeting. The website will be updated and notices pinned to the notice boards in due course.

Everyone invited to remain for tea & coffee.

Next AGM will take place within 15 months of todays date, as per the terms of the deeds, and is expected will be arranged for Oct/Nov 2013.

APPROVED

: _____

DATE : _____