



06 August 2008

Dear Shareholder,

In our last update the committee reported that the move to self management was nearly complete and we would keep you up to date as things developed. We are now happy to announce that the final paperwork was submitted on July 18th and the two directors elected at the EGM - Robert Boyd and Dermot McCoy - are finally in place.

As a result of this a number of things will be changing around the company and this first of what will probably be several updates on the changes made will concentrate predominately on the new role of Charterhouse in the running of the building and on financial matters.

Charterhouse's New Role

From August 1st Charterhouse's role will change from that of managing agent to a more administrative role where they will be responsible for maintaining the company accounts, providing a mailing address and a telephone answering service. Full details of the new service provided by Charterhouse are available on the Margarita Plaza website for your reference.

Service Charge Payments

The most significant change to service charge payments is that as a self managed development we (Margarita Plaza Management Company) now have our own bank account rather than our money being held by Charterhouse in a designated client account under their control.

Service charge payments should now be made by monthly standing order into this new account or six monthly in advance as laid out in your lease. To facilitate this, existing direct debits to Charterhouse should be cancelled and the attached standing order instruction completed and returned so we can establish monthly payments directly to the management company.

However be aware that not returning a standing order form will signal your intention to pay in advance and your account will be liable for debt collection if your advance payment has not been received by the end of September.

Outstanding Service Charges

Clearly the company's biggest problem is the significant amount of service charge debt (largely attached to a small number of apartments). Any service charge accounts with debts more than two months old at the end of September will be aggressively pursued with any administration fees added to the account.

Insurance

The response to the last update on the buildings insurance position has been excellent and nearly all of the money has now come in, there are however a few apartments who have yet to pay.

As ample time to settle the account has passed, if the outstanding money is not received by September 1st they will automatically be referred to the small claims court with further administration fees charged to the defaulting apartments.

DMS Debt

As a result of much hard work behind the scenes by our new directors and Charterhouse, settlement figures (at 20p in the pound) have been agreed for the large debts to NIE and Otis we were left with as a result of the DMS bankruptcy.

A number of apartments have still to settle their debts to the company from this time. As these debts are now in excess of two years old any accounts still unpaid on September 1st will automatically be referred to the small claims court with further administration fees charged to the defaulting apartments.

Current shareholders who have purchased apartments recently and unknowingly inherited the debt have until September 1st to provide written proof of this and the debt will be forgiven in line with the ruling from previous similar cases brought by Charterhouse on Margarita Plaza's behalf.

Payments

Cheques for service charge arrears, DMS arrears or outstanding insurance premiums should be made payable to 'Margarita Plaza Management Company' and can be sent to Charterhouse's offices for processing (your service account will be credited and the cheque lodged to the new management company account).

Your Contact Details

In order to improve communications between the committee and shareholders we would like to collect email addresses for each of you so that regular updates can be sent electronically rather than the relative expense of a mail shot to 84 apartments.

The first use of this would certainly be to circulate the monthly door code changes to all shareholders via email in advance of the change.

Please simply send an email to us at the address below with a brief introduction (including your apartment number) so we can send you further updates via email in the future.

Committee Contact Details

The committee can be contacted via email at margaritaplaza@hotmail.co.uk. Please also see our website at www.margaritaplaza.co.uk where additional information for shareholders will be published. This can be accessed using the following logon information:

Username: shareholder
Password: mpl40220

We expect to be in contact again soon to update you on the progress of the transition to self management

Sincerely

Alan Ruddock (Chairman)
Margarita Plaza Management Committee