

Mutual Heights

14 Darling Street, Cape Town
<http://www.mutualheights.net>

News from your Trustees

Edition 28

February 2014

Dear Fellow Owner,

Damp works, Legal process and Cash Flow

This is a short newsletter to report progress on three related matters, all much in our minds at present:

- The **damp works** have been proceeding on a “most-significant-works-first” basis; a sub-committee of trustees has been reviewing details of what is needed (and what is requested by owners) in order to make a judgement about priorities, and do the most important first. Previous newsletters (available on the web site) have explained the protocol in some detail.
- At the same time, **legal matters** move on, but slowly. Last week, Murray and Roberts (the “second” defendants) were granted permission to “join” the consulting engineers, KFD Wilkinson (they will be the “third” defendants – Old Mutual is “first”). Whilst this might be seen as a ploy to deliberately delay and complicate the process, and we might note that they were very late to make this move, the judgement from the high court has to be respected despite the delays.
- The consequence of all this is that we must now implement a **special levy** to fund further critical work and the legal costs. As payments for the previous levy (for the fire protection system and the coolers on the roof) are concluding now, you will actually notice no real differences in your monthly costs – details will follow from the management office. Also, remember that if we win our claim against Old Mutual, we can expect that all (or most) of our costs will be covered. We must not hesitate to take this step.

Finally, at our last trustees meeting there was a suggestion that some owners might want to consider putting substantial funds into the special levy: it is actually a *very* safe investment. If you have funds in (say) a Money Market account, at 3% or 4%, you could do a lot better than that. Repaying the special levy is secured *in law*, from our levy income.

The normal rate for special levy loans (that is what we will have) is Prime plus 5%, i.e. (at current rates) **14%** ... depending on your personal circumstances and the details yet to be negotiated, you could expect a return of that order. Our financial advisors have a full form of agreement available that would just need signatures.

If anyone is interested, check with your advisors first and then **let me know without delay** so that we can take this idea forwards, if there is sufficient interest (and spare cash lying around unused!).

With warm regards,
on behalf of the Trustees,



(Professor) Andy Bytheway,

Chairman of the Trustees, Mutual Heights, Cape Town.

info@mutualheights.net
<http://www.mutualheights.net>

Check out "Mutual Building" on Wikipedia:
http://en.wikipedia.org/wiki/Mutual_Building