

DRAFT

Fao. Mr Ray Seeley, Baker Tilley Restructuring & Recovery LLP
Norwegian Log Chalets Limited.

WASTE PLANT AT ABBOTSLEY – INSPECTION PROGRESS

The original terms of reference provided by Phil Pile in his e-mail of the 6th August to Roger Bell was for Draincare engineers to empty the plant of waste and then have a further engineer immediately check the plant and ‘jet’ and clear the outlets as necessary.

This has not yet been completed, emptying the plant, flooded throughout, required more tanker capacity than provided. Two tankers were used and time taken to fill, travel, empty and return plus investigative work of the plant layout meant time simply ran out. The last full tanker left at 4.30pm. At least one more tanker will be required and of course, the second engineer for checks and jet clearing.

At this time we are uncertain if the project will continue on Monday morning, the engineers attending on Friday were unsure of work schedules and suggested we contact their office.

You should also be aware that we have no plant plans or layouts of the system at Abbotsley. Valuable time is being lost in attempting to discover pipe runs and system sequencing. A second, ‘holding tank’, was only discovered through trial and error, the consequence was a further large amount of waste being found. Can you obtain any plant drawings or layouts, which you or Norwegian Log may retain? These would certainly assist the blind approach we have to adopt at present.

It would also help greatly if the Tekserv Service Engineer could attend with Draincare at the same time. His expertise together with Draincare engineers would, we feel, greatly enhance progress and direction. The plant is planned for a maintenance service that could possibly be progressed at the same time. Can you try to arrange this joint operation?

We would also report a breakdown of the plant ‘air pump’. This we understand provides an essential continuous airflow to the filtration system and is located in separate pump housing. It ceased operation on Wednesday/Thursday of this week, after running continuously. We do not know how long this has been, but suspect it must be more than two years. Kingspan/Tekserv should be informed of this breakdown ASAP.

JE Moses – For ACH Residents Association
Saturday 15 August 2009

Roger Bell

From: <mosesj65@aol.co.uk>
To: <raymond.seeley@bakertilly.co.uk>
Cc: <John@cokegearing.co.uk>; <rogerbell@rbassociates.wanadoo.co.uk>
Sent: 16 August 2009 19:25
Attach: Waste Plant.doc
Subject: WASTE PLANT AT ABBOTSLEY

Dear Mr Seeley,

Attached is a progress report dealing with the above plant to Friday 14 August 2009.

We trust you will appreciate the situation we currently have here and will act as suggested. As mentioned before to Phil Pile an effective waste plant operation is essential to the site residents well being especially when related to Health & Safety.

Kind Regards

Jack Moses
ACH Residents Assoc.



BAKER TILLY

Our ref: 23143/PP
Your ref:
When telephoning please ask for: Phil Pile

Mr & Mrs Bell
Lodge 5
Abbotsley Country Homes
Drewels Lane
Eynesbury Hardwicke
PE19 6XF

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Fax: +44 (0)1483 569281
DX: 2415 Guildford 1
www.bakertilly.co.uk
Direct Line: 01483 307050
Direct Fax: 01483 457744
philip.pile@bakertilly.co.uk

25 November 2009

Dear Mr & Mrs Bell

Norwegian Log Chalets Limited In Administration

Over the past few months, we have been made aware of a problem with the sewage treatment plant at Abbotsley Country Homes due to the frequency with which the plant has had to be emptied and due to reports from residents that the plant has been flooding. As a result, on Friday 20 November 2009, investigative work was performed by Mr Chatfield, a former director of the company, to determine the cause of the problem.

It was discovered that fibrous tree roots had penetrated the soak away pipes leading away from the plant. The roots were found to extend along the length of the pipes, blocking the flow of treated water exiting the plant.

As a temporary measure, the outflow from the plant has been redirected into the local water course. However, this interim solution cannot be allowed to remain in place on a long term basis and the system must be returned to its original state.

Mr Chatfield has provided a quote for the rectification works which will include replacing the blocked soak away pipes and surrounding the new pipes in a lining that is specially designed to block tree roots whilst allowing water to pass through. The cost of the work is estimated at a maximum of £9,400. Please note that under the terms of your lease, you are liable for 1/20th of the cost of maintaining the sewage plant as part of the Service Charge.

We are proposing to proceed with the work in the next few days and this may take up to two weeks to complete. However, should you have any queries or concerns regarding this matter, please do not hesitate to contact Phil Pile of my office.

Yours sincerely
for and on behalf of
Norwegian Log Chalets Limited

M R M Wild
Baker Tilly Restructuring and Recovery LLP
Joint Administrator

M R M Wild is licensed to act as an Insolvency Practitioner by the Institute of Chartered Accountants in England and Wales
G L Carton-Kelly is licensed to act as an Insolvency Practitioner by the Insolvency Practitioners Association

The affairs, business and property of the company are being managed by the Joint Administrators who act as agents of the company and without personal liability

*Bay Tree Lodge,
22 Abbotsley Country Homes,
Drewels Lane,
St. Neots,
Cambs. PE19 6XF*

Tel: 01 480 216996
Mobile: 07799 533049

Tuesday 1 December 2009

Mr. Phillip Pile,
Norwegian Log Chalets Ltd.
In Administration,
The Clock House,
140 London Road,
Guildford,
Surrey, GU1 1UW

Dear Phil,

Ref: **ABBOTSLEY SITE – GROUND RENT, SERVICE CHARGES & WASTE PLANT**

I would refer to letters from Mr. Wild related to the above subjects and dated 25 November 2009.

a. Ground Rent

Enclosed is my cheque to value £840.84 for period to 31 December 2009

b. Service Charges – Waste Plant

I cannot agree with your calculation for charges under this heading. The cost for additional emptying of £1335 plus VAT does not, in my opinion, fall within the parameters of maintenance. Bearing in mind the site is only 40/50% inhabited, add the size of plant installed and only one desludging per annum should have been necessary. The payment of £270 plus VAT for one emptying is acceptable.

The Service visit at £197.5 plus VAT is not accepted. When the Tekserv engineer visited, he took one look and left. The Bio tank was flooded and he could do nothing. This is directly related to the soak away problem. Tekserv report of the 3 August 2009 is available.

The Maintenance visit plus parts with a cost at £618.75 plus VAT is not accepted. The visit was for replacement of the seized air pump. This original pump, run for period 24/7 over I believe 2/3 years must have been under misuse from day one.

I attended during this changeover and together with John Gearing and Tekserv engineer, we had to dig up and resite the air pipe between pump and bio tank. The original pipe had been installed with severe kinking at both ends of its length. This resulted in little air getting through to the bio tank, thus preventing correct operation in the tank itself as well as putting undue stress on the pump in its effort to force air through. Eventual breakdown under these service conditions was not surprising.

c. Waste Plant - Repairs

I cannot accept that this charge falls under the heading of maintenance. Recent investigation of the drainage system indicated that although the pipe work may have been installed correctly the locations of pipes are suggested to be in the wrong place when related to local environment and soak away design used.

A study of plant layout shows pipe layout running parallel with a nearby drainage ditch, which rarely carries any water. Located at the edge of the ditch are very large willow trees with one in particular immediately adjacent to the soak away system.

I believe you have received photographs, via e-mail, from Mark Chatfield highlighting the consequences of the layout. It must have been open season for tree roots to have an abundance of moisture placed nearby.

When we purchased our cabin some two and a half years ago, I bought in good faith believing that services to my Cabin would be an efficient and working part of the deal. The past few months has proven this not to be the case where drainage and waste treatment is concerned.

Having spent a lot of my own time supporting efforts to keep the plant operational I cannot accept the demand for us to pay for repairs that fall well outside normal annual plant maintenance parameters. Original poor fitting of the pump/tank air hose connection and questionable location and/or design of the soak away system fall clearly into the original installation project. It is not the responsibility of residents to be called on to pay for these initial site development errors.

I am unaware of the company originally engaged to install the Bio Waste Plant. Unfortunately, the consequences, which residents now face, do raise questions of selection plus professionalism and competence of the company chosen. I sincerely trust and hope such errors will not be repeated during the forthcoming repair operation.

Future site development to twenty cabins or even more will realize many more residents requiring the critical service of a waste plant. A consequence of a repeat of these past few months with a much greater demand on the plant further down the line would not bode well for either site or reputations.

Yours sincerely



Jack Moses

Tel: 01480 474704

Email: johnandnicky@hotmail.co.uk

“Windrush”
4 Abbotsley Country Homes
Drewels Lane
Eynesbury Hardwicke
St Neots
Cambs
PE19 6XF

03 December 2009

FAO: Mr P. Pile

Dear Sirs

**RE: GROUND RENT AND SERVICE CHARGES
AT 4 ABBOTSLEY COUNTRY HOMES**

With reference to your letters of the 25th November and our letter of yesterday. We wish to make the point that as far as we can see two items on the list of services provided should not in our opinion be re-chargeable as they relate to the fact that the system was not working properly due to improper installation. These are the items for £618.75 + vat and £1,355 + vat. However in recognition of the fact that there is no Management fee charged and that we have all been doing our best to keep costs down we are prepared to pay 1/20 of the total costs as Invoiced ie; £141.58 plus vat of £20.74. Would you therefore please re-issue your Invoice deducting the amount of £325.19 in respect of Insurance which is not required.

In so far as the second letter is concerned relating to the works required to the BioTank system we are afraid to say that we do not accept that this is a cost that should be borne by the Leaseholders. Being a Surveyor I flagged up the responsibility and liability for a proper installation at time of purchase and was advised through our solicitors that Norwegian Log Chalets Ltd would accept full responsibility for maintenance of the drainage system for at least 12 months after the last Log House had been occupied so that should any repairs be necessary then they would come to light well before the expiry of that 12 month period. This was done to protect us from precisely this situation which we were very worried about from the onset. Sadly this has proved to be right, as predicted.

Clearly the Administrators stepping into the shoes of the Company must accept this responsibility and the resultant costs of repairs.

Under the circumstances we confirm that we will not be making any contribution to the costs of these repairs which we assess are entirely due to defective design and installation where the system is currently not fit for purpose.

As to the works proposed we are concerned that we have not had sight of a professional report on the current defects and recommendation for rectification which we would have thought essential especially in view of the fact that occupiers will in the longer run be responsible for maintenance and repairs once the developer has completed the site development and left the site. This is a matter that will be discussed at the next Residents Association meeting and we are sure you will be hearing further.

We look forward to receiving an amended Invoice.

Yours sincerely

John Gearing FRICS & Veronica Hazell

Mark Chatfield

07 December 2009

Mr P Pile
Baker Tilly
The Clock House
140 London Road
Guildford
Surrey
GU1 1UW

Dear Philip

**Ref: Norwegian Log Chalets Ltd In Administration
Abbotsley – Ground Rent, Services Charges and Sewage Treatment Plant**

We are in receipt of your letters dated 25/11/09, relating to No.2 Abbotsley Country Homes.

With regards to the breakdown of service charges, we note that there are two items included which are not the responsibility of the lessee, as defined in our Underlease dated 28/07/06 The Fifth Schedule Item 17 which states "All costs and expenses for the annual and regular maintenance of the sewage treatment plant".

Whilst we accept that the treatment plant requires emptying or de-slugging once per year, any further emptying would be as a result of the plant not working correctly. This has been highlighted by my report dated 20/11/09 which clearly demonstrates a failure of the outfall discharge pipe work. The further emptying was required because of your failure to identify and investigate the problem with the outfall pipe work, we therefore do not accept the charge of £1,355.00 plus VAT for further emptying.

We accept the first charge for servicing of the sewage treatment plant, however, we believe the further maintenance visit was to attend to and replace the air pump. The replacement of the pump we suggest is not part of the annual & regular maintenance of the system and in any event we understand that the pipe work feeding the pump had been incorrectly installed leading to its eventual failure, therefore we do not accept the charge of £618.75 plus VAT for the further maintenance visit.

With regards to the rectification works required to the outfall pipe works, we again refer you to the above clause as we believe these works do not constitute annual and regular maintenance works for the following reasons. Firstly the outfall pipe work should have been jetted & cleaned through as part of the maintenance, this has clearly not happened as it would have been immediately noticed when jetting. Secondly the extent of the root growth within the pipe work suggests a fault with the original specification or installation.

*Field View House, 40 Oatlands Road, Shinfield Village, Reading, Berkshire. RG2 9DN
Tel.No. 0118 9884109*

We do not accept that we are responsible for the cost of the rectification works which we consider have come about due to the inadequate specification for the initial installation and mostly due to the lack of proper maintenance of the system since installation, we will therefore not be making a contribution towards the cost of these works.

We would also like to put on record that the residents, and in particular John Gearing, Jack & Marion Moses and Roger Bell, have been doing a sterling job looking after and maintaining the site. If they had not done so you would have had to employ an agent to do the work at great expense. Also all the residents have been caring and weeding around their own lodges as well as keeping the rest of the site tidy, again something you would have had to pay for. We are aware that as residents we would have had to pay for these services but it should not be forgotten that you would be responsible for 11/20ths of the cost.

We enclose our cheque for £890.16 for settlement of Ground Rent & Service Charges for the year to 31/12/09 and look forward to receiving a revised invoice to cover the payment along with confirmation of when the rectification works to the sewage treatment plant will be carried out.

Yours sincerely

Mark Chatfield

*5 Abbotsley Country Homes
Drewels Lane
Eynesbury Hardwick
Cambridgeshire
PE19 6XF*

*e-mail: rogerbell@rbassociates.wanadoo.co.uk
Telephone/Fax/Voicemail: 01480 403840
Mobile: 07985 496753*

02.09.11

**M R M Wild
Baker Tilly Restructuring and Recovery LLP
Joint Administrator
Baker Tilly
The Clock House
140 London Road
Guildford
GU1 1UW**

Dear Mr Wild,

Re: Your Letter of 25th November – Sewage Plant at Abbotsley Country Homes

I refer to your letter relating to the work that needs to be carried out on the Sewage Plant at Abbotsley Country Homes and also an invoice that includes costs relating to work carried out on the sewage plant (sent 25.11.09).

Quite frankly the original construction work carried out on the plant and the weeper pipes was just not up to an acceptable standard. Prior to the excavation of the weeper pipes, carried out under the charge of Mark Chatfield, the residents had dealt with the first emptying of the plant and also noted that the reason why the electric fan (which provides the air, which activates the biological breakdown of the contents) was not working was **because it had been badly fitted** – the pipe from the fan to the chamber was badly kinked and this is what caused the fan unit to “burn out”. Not our problem.

For your information, the manhole covers which are situated around the sewage plant are **still** unsafe and the “constructor” will be sued if any accidents occur (they have not been cemented in correctly on construction – you can kick them off without any effort and fall down the hole !! - they still remain a risk to the site owners and any other visitors) – another example of poor, useless and badly managed construction.

Now to the weeper pipes – **these were just not suitable**, given the fact that they are laid next to a number of willow trees that have been part of the adjacent golf course for many, many years. Willow tree roots will always strongly spread out to find water and are known to cause considerable damage to buildings and drainage systems.

Norwegian Log failed to take this into account when the sewage plant was constructed and hence why we have the problems we have today. Let me make it clear that any work relating to ineffective construction is NOT a matter that should be costed to the residents who have paid for the leasehold of their cabins on a "developed site".

We are only prepared to see the corrections that are needed, to be carried out by professionals, in order to ensure that further problems do not develop. Our Leases state quite clearly that the "services" have been properly constructed. What a joke !!!!

This was incompetence and any necessary repairs should NOT be a part of the Service Agreement – this is a **serious** construction error which requires immediate correction. We suggest that at least 3 quotes are applied for , with professional companies who are registered with the Environment Agency, to ensure that the repairs are carried out correctly and that we will not be faced with further problems in the next few years.

The Residents' Association are extremely angry that the plant was constructed without proper consideration of the environment or indeed using the right materials in the case of the weeper pipe system.

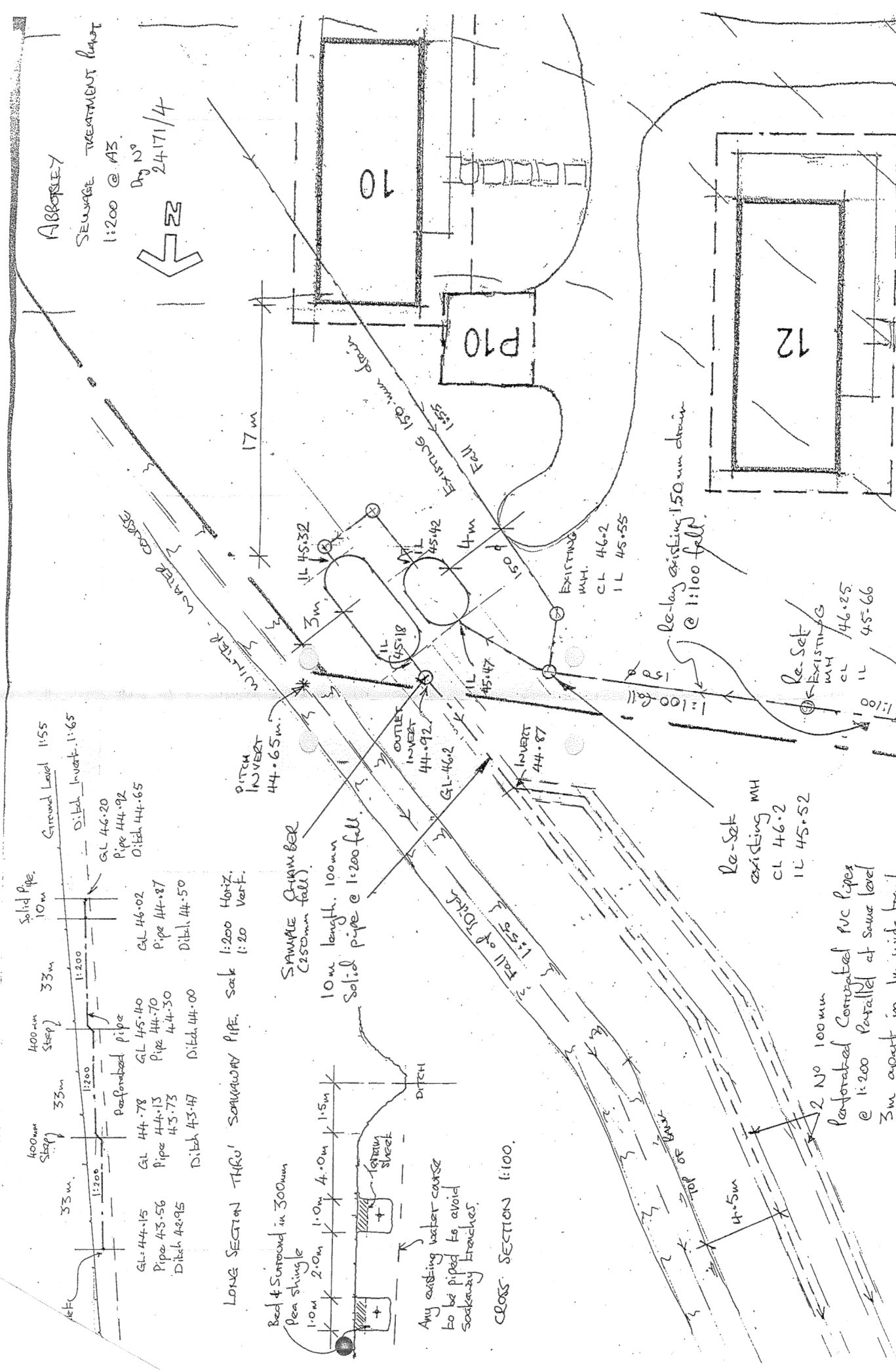
Yours sincerely,

A handwritten signature in cursive script that reads "Roger Bell". The signature is written in black ink and is positioned above the printed name.

Roger Bell

Abbottley
SEWAGE TREATMENT PLANT
1:200 @ A3

Dy No
24-171/4



Ground Level 11.55
Ditch Invert 11.65
GL 46.20
Pipe 44.92
Ditch 44.65

GL 46.20
Pipe 44.92
Ditch 44.65

GL 44.78
Pipe 44.13
Ditch 43.47

GL 45.40
Pipe 44.70
Ditch 44.50

LONG SECTION THRU SODKWAY PIPE. SAK 1:200 Horiz. 1:20 Vert.

Bed & surround in 300mm
Pea shingle
1.0m 2.0m 1.0m 4.0m 1.5m
Any existing water course
to be piped to avoid
sodkway branches.

CLASS SECTION 1:100.

SAMPLE CHAMBER
CUSTOM fall.
10m length, 100mm
Solid pipe @ 1:200 fall.

Re-Set
existing MH
CL 46.2
IL 45.52

Re-lay existing 150mm drain
@ 1:100 fall

Re-Set
EXISTING
MH
CL 46.25
IL 45.66

2 No 100mm
Perforated Corrugated PVC Pipes
@ 1:200 Parallel at same level
3m apart in 1m wide trenches.

100mm level 14 from