

Mel Henson
London City Island

1 March 2017

BY EMAIL ONLY

Dear Mel

London City Island

Further to our discussions, I set out below my thoughts for looking at the service charges at London City Island

As we discussed, it's a little early to look at the reasonableness of the costs as it will take a couple of years before the site gets to a 'steady state'. This is because it takes a while for the buildings to settle down with the staff numbers and for the snagging works to be completed before repairs and maintenance are carried out. However I can look at various elements of the development now.

These areas are:

1. To check whether the apportionments paid by the lessees of the buildings are correct
2. To check whether the costs are put into the correct headings across the various schedules
3. To check whether any portfolio wide costs have been properly apportioned to London City Island
4. Make any recommendations, if required, for any adjustments to the apportionments or cost allocations
5. To check that any snagging items or capital works are not put through the service charge, which will include the costs for the gym prior to it being available to the residents

With regard to fees, I have agree in the past with Ballymore and the residents that I act on an independent basis with the cost paid by Ballymore but put through the service charge account as it will benefit all residents.

The fees for the other properties are on the basis of £250 per hour plus VAT

Any report would be sent to both Ballymore and the residents

There will no doubt be other areas that you may wish me to look at and comment on when I start looking at the information provided

Please call if you wish to discuss anything

Kind regards

Yours sincerely

A handwritten signature in black ink, appearing to read 'Graham Pack', with a stylized flourish at the end.

GRAHAM PACK
graham@gpa.uk.com