

IN THE FIRST-TIER TRIBUNAL (PROPERTY CHAMBER)
(RESIDENTIAL PROPERTY)

Case reference: LON/OOBG/LAM/2015/0012

BETWEEN

VARIOUS LEASEHOLDERS

Applicants

-and-

OCTAGON OVERSEAS LIMITED (1)

CANARY RIVERSIDE ESTATE MANAGEMENT LIMITED (2)

PALACE CHURCH 3 LIMITED (3)

YFSCR LIMITED (4)

YIANIS HOTELS LIMITED (5)

Respondents

MANAGEMENT ORDER
Varied 12 April 2019

Interpretation

In this order:

- (a) "the Act" means The Landlord and Tenant Act 1987
- (b) The Draft Management Order, means the Management Order of this tribunal that came into effect on 1 October 2016.
- (c) "Car Park" means the car park located at levels P1 and P2 of the Premises
- (d) "Commercial Leases" means the leases pursuant to which the Commercial Tenants hold their units, as listed in Annex 1 to this order
- (e) "Commercial Tenants" means the tenants of the commercial units at Canary

Riverside listed in Annex 1 to this order.

- (f) "Common parts" means any roof, exterior of building, garden area, postal boxes, refuse store, loading bay, security gates, lifts, paths, halls, staircases and other accessways and areas (if any) within the Premises that are provided for common use by the Lessees or persons expressly or by implication authorised by them
- (g) "Functions" means any functions in connection with the discharge of management responsibilities conferred by this order, including any obligations and powers of the Landlord under the Leases (save as would be inconsistent with this Order).
- (h) "Leases" means the long leases vested in the Lessees and the long lease currently vested in Circus Apartments under title number EGL445878, being the Circus Apartments at Eaton House, including any car parking spaces demised in those leases.
- (i) "Lessee" or "Lessees" means a tenant of a dwelling holding under a long lease as defined by section 59(3) of the Landlord and Tenant Act 1987 ("the Act");
- (j) "Occupational Agreement" means any agreement for the occupation of any part of the Premises which is not a Lease or a Commercial Lease
- (k) "the Manager" means Mr Alan Coates MIBFM MIRPM of HML PM Ltd, 94 Park Lane, Croydon, Surrey CRO 1JB
- (l) "the Premises" means all that property known as Phase 1, Riverside, Westferry Circus, London, of which the freehold is registered at HM Land Registry under title number EGL359129 and is currently vested in Octagon Overseas Limited all as shown on the attached plan.
- (m) "the Shared Services" mean any services or shared service provided to the Premises including any pipes, wires, conduits, service media or similar which benefits (i) two or more residential units which are being managed by the Manager in accordance with this Order, or, (ii) one or more Commercial Tenant, licensee or other occupier and one or more such residential unit.
- (n) "the Service Charges" means the service charges paid by the residential occupiers; the shared service charges payable in relation to the Shared Services, including the reserve fund collections in relation to both the residential units and the Shared Services, and for the avoidance of doubt includes any services shared with Circus Apartments. It includes utility charges in respect of the Shared Services. It also includes washing the windows of commercial units where they are within Berkeley Tower, Hanover House, Belgrave Court or Eaton House, but not otherwise in respect of any commercial unit.
- (o) "the Landlord" means Canary Riverside Estate Management Limited, the Second Respondent to this application, and includes any successors in title of the leasehold estate registered under title number EGL365354 or any interest created out of the said leasehold title.

Preamble

UPON the Applicants having applied for the appointment of a manager under Part II of the Act

AND UPON the First-tier Tribunal being satisfied that the Applicants are entitled to so apply and that the jurisdiction to appoint a manager has arisen in the present case

AND UPON the First-tier Tribunal being satisfied that the conditions specified in section 24 of the Act are met, and that it is just and convenient to appoint a manager

IT IS ORDERED THAT

The manager

1. Alan Coates MIBFM MIRPM of HML PM Ltd 94 Park Lane, Croydon, Surrey CRO 1JB is appointed to fulfil the functions of Manager (including such functions of a Receiver as are specified herein) of (a) the residential leasehold properties at Berkeley Tower, Hanover House, Belgrave Court, Eaton House (b) the residential common parts comprised in those buildings (c) the Common Parts of the Premises; (d) any Car Park spaces, demised to a residential leaseholder (whether as part of a residential lease or by way of separate agreement); and (e) any Shared Services including those provided or capable of benefitting any Residential Leaseholder, Commercial leaseholders, Licensee, or Other occupier including the Leaseholder under the Circus Apartment lease.
2. Moreover for the duration of his appointment, the Manager has the right to enter any part of the Premises held by either Octagon Overseas Limited, Canary Riverside Estate Management Limited or YFSCR Limited (which for the avoidance of doubt shall include their successors in title), together with any company associated with Octagon Overseas Limited, Canary Riverside Estate Management Limited or YFSCR Limited, for any purpose incidental to his management or discharge of his functions under this order, subject to any third party rights. In relation to the YFSCR demise (the hotel), the manager shall provide 48 hours written notice of any access requirements, to include details of the reasons why and personnel who require access, save in an emergency, when such details may be supplied after the event.
3. For the avoidance of doubt, the Draft Management Order which came into effect on 1 October 2016 is substituted by this Order.
4. This final Order is for a period of five years commencing on 1 October 2016, the Manager is given all such powers and rights as may be necessary and convenient and in accordance with the Leases to carry out the management functions of the Landlord under the Leases and in particular;
 - (a) To receive all service charges, and interests payable under the Leases and to receive all service charges and interests payable under the Commercial

Leases where the Commercial Leases and/or other occupiers have Shared Services with the residential lessees, and are required, under the terms of their leases and/or Occupational agreements to contribute towards the cost of those Shared Services, and any arrears due thereunder the recovery of which shall be at the discretion of the Manager.

- (b) To receive all service charges and interests payable under the Residential and Commercial Leases, licences and occupational agreements in relation to the freeholders repairing obligations contained in Clause 7.1.2 of the head lease dated 15 May 1997.
- (c) The right to treat the service charge financial year as commencing on the 1 October 2016, and ending on 31 March 2017 and thereafter as running from 01 April to 31 March in each year this Order is in place;
- (d) The right to give notice and raise an interim service charge as soon as he deems necessary;
- (e) The power and duty to carry out the obligations of the Landlord contained in the Leases, the Commercial Leases and any occupational agreements in relation to any services shared by any of the foregoing with the Lessees and in particular and without prejudice to the foregoing:
 - (i) The Landlord's obligation to provide services;
 - (ii) The Landlord's repair and maintenance obligations;
- (f) The Manager shall have no liability for any pre-existing breaches of covenant, if any such breaches existed at the date of the Draft Management Order, or this Management Order, save in respect of any additional damage caused by any failure or negligent attempt by him to remedy the same.

Save also that the Manager must pay the monies demanded by New Associates Ltd t/a SVM Associates; Artcloud Management Limited, KGB Cleaning and Support Services Limited; Inenco Group Limited; JB Leitch, Alliance Cleaning Limited and BWT UK Limited which costs were incurred by the Landlord prior to 1 October 2016 ("the Specified Demands"). Those monies are payable from the service charges collected or to be collected by him. The obligation to pay is subject to his rights to challenge the validity or quantum of the demand on any lawful basis and any rights which the Landlord has to challenge those demands are hereby transferred to the Manager for him to exercise as he sees fit.

Moreover, if legal proceedings have been, or are issued, against either Canary Riverside Estate Management Ltd or Octagon Overseas Ltd in respect of any of those the sSpecified dDemands, then provided that Canary Riverside Estate Management Ltd or Octagon Overseas Ltd has given notice of the proceedings to the Manager, including the steps taken in those proceedings, and provided the Manager with copies of:

(i) all relevant pleadings, statements of case, court orders and costs schedules; and

(ii) any other relevant documents reasonably requested by the Manager

the Manager must indemnify Canary Riverside Estate Management Ltd or Octagon Overseas Ltd, as the case may be, for:

(i) their costs of the legal proceedings, to the extent that those costs have been reasonably incurred and are reasonable in amount; and/or

(ii) for any costs or judgment debt it is ordered to pay to another party

(ii) the Manager may elect to be substituted into the legal proceedings in respect of any of the Specified Demands in place of Canary Riverside Estate Management Ltd or Octagon Overseas Ltd and to continue the litigation at his own risk.

Aside from the matters specified above, The Manager shall have no liability for the collection of any arrears that accrued prior to the making of the Draft Management Order, nor for any debts that might have been incurred prior to the making of that Draft Management Order.

- (g) The power to delegate to other employees of HML PM Ltd, to appoint solicitors, accountants, architects, engineers, surveyors and other professionally qualified persons as he may reasonably require to assist him in the performance of his functions;
- (h) The power to appoint any agent or servant to carry out any such function or obligation which the Manager is unable to perform himself or which can more conveniently be done by an agent or servant and the power to dismiss such agent or servant;
- (i) The power in his own name, (or in relation to existing contracts or litigation with the permission of the Landlord), to bring, defend or continue any legal action or other legal proceedings (other than those in connection with any requests for licences or other permissions in connection with the Circus Apartments Lease), in connection with:
 - (i) This Management Order;
 - (ii) The Leases;
 - (iii) The Commercial Leases and/or
 - (iv) Any Occupational Agreement,in relation to any services shared by the foregoing with the Lessees.

That power includes, but is not limited to, proceedings against any Lessee, Commercial Tenant or other occupier in respect of any arrears of service charges and/or utility costs, ~~or other monies due~~ under the Leases, the Commercial Leases, Licenses and any Occupational Agreements and (with the consent of the Landlord, such consent not to be unreasonably withheld) to make any arrangement or compromise on behalf of the Landlord.

- (j) The Manager shall be entitled to an indemnity for his own costs reasonably incurred and for any adverse costs order out of the service charge account;
- (k) In the event that the Landlord or Lessees shall be in breach of their covenants in the Leases, or, in the case of the Commercial Leases or Occupational Agreements, in breach of their covenants in relation to any Shared Service Charges or services shared with the Lessees and/or their obligations as provided in the Management Order, the Manager shall be entitled to recover from the Landlord or any such Lessee, Commercial Tenant or other occupier on a full indemnity basis any costs, fees, charges, expenses and/or disbursements reasonably incurred or occasioned by him in the appointment of any solicitors, counsel, surveyors or any other professional reasonably retained by the Manager for the purposes of enforcing such covenants or obligations whether or not the Manager brings any proceedings in court or before any tribunal.

PROVIDED THAT in default of recovery of the same from the Landlord, Lessee, Commercial Tenant or other occupier in breach of the covenants in the Lease, or, in the case of the Commercial Leases and/or any other Occupational Agreement, in relation to services shared with the Lessees and/or obligations as provided in this Management Order, the Manager shall be entitled to recover the same through the service charges;

- (l) The power to open and operate client bank accounts in connection with the discharge of the function under this Order, and to invest monies pursuant to his appointment in any manner specified in the Service Charge Contributions (Authorised Investments) Order 1998 and to hold those funds pursuant to section 42 of the Act. The Manager shall deal separately with and shall distinguish between monies received pursuant to any reserve fund (if any) (whether under the provisions of the Leases, the Commercial Leases, or any other Occupational Agreement or power given to him by this Order) and all other monies received pursuant to his appointment and shall keep in a separate bank account or accounts established for that purpose monies received on account of the reserve fund;
- (m) The power to rank and claim in the bankruptcy, insolvency, sequestration or liquidation of the Landlord or any Lessee, Commercial Tenant or other occupier owing sums of money to the Manager under his/her Lease, Commercial Lease or Occupational Agreement;
- (n) The power to borrow all sums reasonably required by the Manager for the performance of his functions and duties, and the exercise of his powers under this Order in the event of there being any arrears, or other shortfalls, of service

charge contributions due from the Landlord, Lessees, Commercial Tenants, Licensees and/or other occupiers.

5. The Manager shall manage the Premises in accordance with:
 - (a) The Directions of the Tribunal and the Schedule of Functions and Services attached to this Order;
 - (b) The respective obligations of all parties – landlord and tenant – under the Leases and in particular with regard to repair, decoration, provision of services to the Premises, and in relation to the Commercial Leases and any other Occupational Agreements, the respective obligations of the parties – landlord and tenant – under the Commercial Leases, and Occupational Agreements where services are shared between the Lessees, the Commercial Tenants and/or other occupiers of the Premises
 - (c) The duties of managers set out in the Service Charge Residential Management Code 3rd. ed. (the "Code") or such other replacement code published by the Royal Institution of Chartered Surveyors and approved by the Secretary of State pursuant to section 87 of the Leasehold Reform, Housing and Urban Development Act 1993.
6. From 01 October 2016 no other party shall be entitled to exercise a management function in respect of the Premises where the same is a responsibility of the Manager under this Order.
7. From 01 October 2016, the Landlord shall not, whether by itself or any agent, servant or employee, and with the exception of the insurance charges, demand any further payments of service charges, administration charges due from the Lessees, Commercial Tenants or other occupiers of the Premises to the extent that those monies are demanded for payment of Shared Services shared with the Lessees. Those monies are now payable to the Manager under Clause 1(a) of this Order.
- 7A. As regards insurance, the position will be as follows:
 - (i) the Manager shall procure his own Employers Liability Insurance and shall be permitted to recover the costs of the same as if it were a service chargeable cost;
 - (ii) Octagon Overseas Ltd / Canary Riverside Estate Management Ltd shall be responsible for insuring the Premises and shall be entitled to recover the residential element of that insurance (including ancillary insurance costs) from the Manager as set out in the Schedule of Functions;
 - (iii) Octagon Overseas Ltd / Canary Riverside Estate Management Ltd shall also be responsible for procuring public liability insurance; such insurance must also name the Manager and must have a value of not less than £25,000,000. The costs of the same shall be recoverable in the same manner as in the previous sub-paragraph.
 - (iv) for so long as (iii) is complied with, then Octagon Overseas Ltd / Canary

Riverside Estate Management Ltd shall not be required to give any insurance indemnity to the Manager.

8. Without prejudice to the generality of the foregoing, and unless already complied with in full, the Landlord whether by itself, its agents, servants or employees shall by 1 September 2017:
9. Transfer to a bank account nominated by the Manager all remaining monies collected from the Lessees, Commercial Lessees or other occupiers in relation to the shared service charges, the residential service charges and reserve funds in relation to the Leases and Shared Services which should have been held in trust by it pursuant to section 42 of the Landlord and Tenant Act 1987;
10. Deliver, to the Manager all such accounts, books, papers, memoranda, records, computers, data, computer records, minutes, correspondence, emails, facsimile correspondence and other documents as are necessary to the management of the Premises, including without limitation all personnel details, (full name, tax details, job descriptions, contracts, and all individual disciplinary and/or other records) as are within its custody, power or control together with any such as are in the custody etc of any of its agents, servants or employees in which last case it shall take all reasonable steps to procure delivery from its agents, servants or employees;

In particular the documents referred to in (10) above include but are not limited to;

- (i) All service charge statements of account, for the years 2013/2014, 2014/2015 and 2015/2016 both up to and including the financial years ended 31st March 2016. These accounts must be fully certified by an independent accountant, be compliant with ICAEW Technical Release 03/11 and must contain a full and detailed income and expenditure report per budget sector, a full reserve analysis per budget sector and a full and complete, reconciling balance sheet detailing cash held, all debtors, all creditors, capital and reserves.
- (ii) In respect of the years identified in (i) above, all bank statements detailing the full transactional history of monies received and paid in relation to the service charge fund collections, reserve fund collections electrical and utilities, in relation to the Residential Service Charges and the Shared Service Charges.
- (iii) In respect of the years identified in (i) above a full cash book report detailing the full transactional history of monies received and paid in relation to those service charge fund collections, electrical and utilities and reserve fund collections.
- (iv) Full bank reconciliations in relation to the residential service charge and shared service charges, clearly showing any uncleared receipts.
- (v) A full expenditure report showing all purchase invoices either paid, committed or accrued.
- (vi) Full lessee/tenant history reports showing all demands, credits and receipts on each individual lessee account in relation to service charges, and reserves collections.

- (vii) A full detailed general ledger showing all accounting transactions, through all nominal codes complete with a full closing trial balance reconciling back to cash held, debtors and creditors.
11. Deliver to the Manager all outstanding copies of keys, fobs and other access/entry cards to the Premises, including replacements necessary for the performance of the Managers functions under this Order. Including copies of all keys to electricity, gas, water and any other utility meters located in the Premises. To this end, the Landlord shall give the Manager full access to the electricity, gas and water meters fuse board and any other utility meters located in the Premises, ~~and where the subject of an occupational agreement to a company associated with the landlord,~~
 12. Give full details to the Manager of all sums of money it holds in any service charge fund and any reserve fund in relation to those sums payable under the Leases, the Commercial Leases, and any Occupational Agreements, in relation to Shared Services, including copies of any relevant bank statements and shall forthwith pay such sums that might be payable to the Manager. If the Landlord shall thereafter receive such sums under the Leases or Occupational Agreements in relation to any service provided after 1 October 2016, it shall forthwith pay such sums to the Manager without deduction or set off;
 13. Permit the Manager, such permission not to be unreasonably withheld, and on prior notice, to serve upon the Lessees, Commercial Tenants, or any other occupiers, any Notices under section 146 of the Law of Property Act 1925 or exercise any right of forfeiture or re-entry or anything incidental or in contemplation of the same, but only in so far as the Notice relates to Shared Services and service charges;
 14. The Manager shall be entitled to remuneration (which for the avoidance of doubt shall be recoverable as part of the service charge) in accordance with the Schedule of Functions and Services attached.
 15. The Manager shall in the performance of his functions under this Order exercise the reasonable skill, care and diligence to be expected of a professional property manager experienced in carrying out work of a similar scope and complexity to that required for the performance of the said functions and shall ensure that he has appropriate professional indemnity cover in the sum of at least £5,000,000 providing copies of the current cover on request by any Lessee, Commercial Tenants, other occupiers, the Landlord or the Tribunal.
 16. The Manager shall act fairly and impartially in his dealings in respect of the Premises
 17. (a) The parties are to request HM Land Registry to retain a copy of this Order on its system for the title numbers referred to below so that a copy is obtainable by third parties (as per the suggestion in the letter from the Registry to the Manager dated 15 February 2018 as annexed hereto)

(b) Canary Riverside Estate Management Ltd are to notify the Manager within three working days of any request that they receive for consent to assign any sublease granted out of their title or any indication of an assignment and the details of the proposed assignee (if supplied)

(c) Canary Riverside Estate Management Ltd are to promptly notify such proposed assignee that the Management Order is in place and that any questions over the management of the Estate, including service charges shall be directed to the Manager;

(d) Canary Riverside Estate Management Ltd are, in addition, to provide the proposed assignee with the correct contact details for the Manager

(e) Canary Riverside Estate Management Ltd are to promptly provide to the Manager copies of transfer documents which they receive;

(f) where permissible under the terms of the lease and reasonable to do so, Canary Riverside Estate Management Ltd shall make it a condition of any assignment that any service charge arrears are discharged or an undertaking from the proposed assignor to that effect is given.

(g) When Canary Riverside Estate Management Ltd becomes aware of any assignment it will provide the Manager with details of any address, including any address for service in England or Wales which has been provided as part of that assignment process.

(h) The title numbers are EGL365354; EGL385085; EGL385086; EGL402555; EGL385083; EGL473824; EGL477859; EGL474404; EGL474191; EGL473825; EGL471546, except that title registered against Palace Church 3 Limited.

(i) The Manager shall be appointed for a period of five years from 01 October 2016.

(j) The obligations contained in this Order shall bind any successor in title and the existence and terms of this Order must be disclosed to any person seeking to acquire either a leasehold interest (whether by assignment or fresh grant) or freehold of the premises.

17A (i) Octagon Overseas Ltd and/ or Canary Riverside Estate Management Ltd shall comply with reasonable requests for documents and information by the Manager in order to fulfil any statutory obligation.

(ii) The Manager shall comply with reasonable requests for documents and information by Octagon Overseas Ltd and/ or Canary Riverside Estate Management Ltd in order to fulfil any statutory obligation.

Liberty to apply

18. The Manager may apply to the First-tier Tribunal for further directions, in accordance with section 24(4) of the Act. Such directions may include, but are not limited to:

- a) Any failure by any party to comply with an obligation imposed by this Order;
- b) For directions generally;

- c) For directions in the event that there are insufficient sums held by him to discharge his obligations under this Order and/or to pay the Manager's remuneration.

SCHEDULE

FUNCTIONS AND SERVICES

1. Prepare an annual service charge budget (consulting with the Lessees, Commercial Tenants, any other occupier and Landlord as appropriate) administer the service charge and prepare and distribute appropriate service charge accounts to the Lessees, Commercial Tenants, any other occupier and the Landlord.
2. To receive the demand for insurance from the landlord in relation to the Leases and Shared Services, prepare demands and collect those, insurance premiums from the Lessees, and reimburse the Landlord accordingly in accordance with the respective leases. For the avoidance of doubt, he is entitled (but not required) to make an "on account" demand under para.4 of this Schedule or operate the "float" funding provided for in cl.23.1.3.2 of the residential leases.
3. To demand service charges, and utility costs due from the Lessees, the Commercial Tenants, the Landlord any other occupier and the Landlord in relation to the residential service charges and the Shared Service Charges.
4. The Managers shall have the right to demand and receive from the Lessees, the Commercial Tenants, any other occupier and the Landlord quarterly payment of service charges in advance on account of actual expenditure to be incurred by the Manager on the first date of the Order in such sums as the Manager shall reasonably determine having regard to the likely costs to be incurred and in respect of which service charges are payable during the relevant financial year. In so far as planned major works are concerned the Manager may collect contributions forthwith after the expiry of a section 20 consultation process; such contributions being payable within one month of demand being made.
5. Instruct solicitors to recover any unpaid service charges and/or utility costs ~~and any other monies~~ due to the Landlord.
6. Create a form of reserve fund.
7. Produce for inspection, (but not more than once in each year) within a reasonable time following a written demand by the Lessees, the Commercial Tenants, or any other occupier or the Landlord, relevant receipts or other evidence of expenditure, and provide VAT invoices (if any). It is agreed that the Manager will use his VAT number for these purposes.
8. Manage all outgoings from the funds received in accordance with this Order in respect of day to day repairs and maintenance and pay bills in relation to Leases and shared service charges only.
9. Deal with all enquiries, reports, complaints and other correspondence with Lessees, Commercial Tenants, any other occupier, solicitors, accountants, and other professional persons in connection with matters arising from the day to day financial management of the Premises in relation to Leases and shared service

charges.

10. Provide for the management through either the landlord or the broker of any claims brought under the insurance policy taken out in respect of the Leases or Shared Services with the insurer.
11. Provide to Octagon Overseas Ltd and Canary Riverside Estate Management Ltd on a quarterly basis (on the 15th January, April, July and October), such information as is within the Manager's knowledge and is required by the definition of "Property Report" attached hereto. This shall be at no cost to the residential leaseholders.

Repairs and maintenance

12. Deal with all reasonable enquiries raised by the Lessees in relation to repair and maintenance work, and in so far as they relate to Shared Services to those raised by the Commercial Tenants, and any other occupier, and to instruct contractors to attend and rectify problems as necessary.
13. Administer contracts entered into on behalf of the Landlord and Lessees in respect of the Premises and check demands for payment for goods, services, plant and equipment supplied in relation to such contracts, and to administer those contracts entered into on behalf of the Landlord, and Commercial Tenants to the extent that the contracts relate to goods, services plant and equipment shared with the Lessees.
14. Manage the Common Parts, Service Areas and Shared Service Areas of the Premises, including the arrangement and supervision of maintenance.
15. Carry out regular inspections (at the Manager's discretion but not less than four per year) without use of equipment, to such of the Common Parts of the Premises as can be inspected safely and without undue difficulty to ascertain for the purpose of day-to-day management only the general condition of those Common Parts.

Major works

16. In addition to undertaking and arranging day-to-day maintenance and repairs, to arrange and supervise major works which are required to be carried out to the Premises (such as extensive interior and/or exterior redecoration or repairs required to be carried out under the terms of the Leases, Licenses or Commercial Leases, to the extent that those redecoration and/or repairs are shared with the Lessees, or other major works where it is necessary to prepare a specification of works, obtain competitive tenders, serve relevant notices on the Lessees, Commercial Tenants, any other occupier and the Landlord and supervise the works in question).

Administration and communication

17. Deal promptly with all reasonable enquiries raised by the Lessees, including routine management enquiries from the Lessees or their solicitors, and with all reasonable enquiries raised by the Commercial Lessees, Licensees and any Other Occupier to the extent that the enquiry is made in respect of a matter for which the Manager has been appointed.

18. Provide the Lessees, the Commercial Tenants, Licensees and any Other Occupier with telephone, fax, postal and email contact details and complaints procedure.
19. Keep records regarding the details of Lessees, Commercial Tenants, Licensees any Other Occupier at the Premises; any agreements entered into by the Manager in relation to the Premises and any change in Lessee, Licensee, Commercial Tenant and/or Other Occupier.
20. Fees for the above mentioned management services (with the exception of supervision of major works) would be a fee of £134,296.00 plus VAT per annum for the Premises for the first year of the Draft Order, with a *pro rata* fee to be charged in the event that this Order is discharged before the end of the year and increasing by RPI thereafter for each subsequent year.
21. An additional charge shall be made in relation to the arrangement and supervision of major works on the basis of a fee of 2.5%% of the cost of the works plus VAT.
22. The preparation and service of any statutory consultation notices of any project at the published charges provided by HML PM Ltd as varied from time to time.
23. An additional charge will be made in relation to the TUPE regulations and process at the rate of £4,620 using a specialist HR consultancy to manage the process.
24. An additional charge will be made for the employ and administration of the staff dedicated on the site dealing with payroll, sickness, holiday and entitlement with all employment matters including workplace auto enrolment pension administration at the rate of 15% of the annual gross salary.
25. An additional charge for dealing with solicitors' enquiries on transfer will be made in the sum not to exceed £325.00 plus VAT, payable by the outgoing Lessee.
26. The undertaking of further tasks which fall outside those duties described above are to be charged separately at an hourly rate of £175.00 plus VAT, or such other rate as shall be agreed.
27. The Manager is entitled to be reimbursed in respect of reasonable costs, disbursements and expenses (including, for the avoidance of doubt, the fees of Counsel, solicitors and expert witnesses) of and incidental to any application or proceedings (including these proceedings) whether in the Court or First-tier Tribunal, to enforce the terms of the Leases, the Commercial Leases and/or any Occupational Agreement of the Premises. For the avoidance of doubt, the Manager is directed to use reasonable efforts to recover any such costs etc directly from the party concerned in the first instance and will only be entitled to recover the same as part of the service charges in default of recovery thereof.
- 27A. A charge for the partial VAT exempt status management, including reports and returns and entries to the accounting processes set at £6,000 plus VAT per annum.
28. Canary Riverside Estate Management Ltd and Mr John Christodoulou having made requests to inspect all documents supporting the accounts for the period commencing

1 October 2016 and ending 31 March 2017, it is agreed that:

(a) by no later than 31 July 2018, Canary Riverside Estate Management Ltd and Mr John Christodoulou will identify three dates in the period August-September 2018, when they will be available to inspect the documents;

(b) the Manager will, by no later than 7 August 2018, confirm one such date which is convenient and the place where the documents can be inspected;

(c) on that date, Canary Riverside Estate Management Ltd and Mr John Christodoulou (whether by themselves or authorised third parties) shall be entitled to attend at the said location to inspect the documents; they may take copies of any document which they inspect on condition that they pay the reasonable copying costs.

28A The mechanism described above (i.e. request for inspection, provision of three possible dates, Manager to select one such date and then to give access for inspection and copying) shall apply with equal force for each subsequent year (i.e. for the year ending 31 March 2018 and each subsequent year). The three possible dates must fall on a working day and, at least two of the dates must be in different weeks.

29. Canary Riverside Estate Management Ltd accountant and the Manager's accountant shall by 14 August 2018 meet on a without prejudice basis to try and agree or narrow the financial/service charge position as between Canary Riverside Estate Management Ltd and the Manager.

30. In the event that agreement as to the financial/service charge position as between Canary Riverside Estate Management Ltd and the Manager is not reached by 28 August 2018, then Canary Riverside Estate Management Ltd shall by no later than 4 September 2018 write to Marathon Estates Limited ("MEL") requiring it to provide to the Manager in an electronic format usable by the Manager as it has been capable of being used to date by MEL, all of the records in relation to the Premises stored digitally by MEL in or in conjunction with the QUBE software system. If and to the extent there is a cost associated with this exercise, Canary Riverside Estate Management Ltd will meet such cost. If Marathon Estates Limited do not provide the said records by 18 September 2018, Canary Riverside Estate Management Ltd shall forthwith and at its own costs commence and pursue to judgment proceedings against Marathon Estates Limited for delivery up of the said records.

31. Canary Riverside Estate Management Ltd and Octagon Overseas Ltd shall take such reasonable steps (including those as identified by the Manager) as may be necessary to facilitate the provision of broadband and/or digital data services to occupiers of the Premises, including, where required by a digital service provider, an appropriate wayleave agreement. Any repair, maintenance or other obligations imposed by or arising out of the wayleave agreement or similar agreement shall be discharged by the Manager.

32. The Manager shall be entitled to register at HMRC as Receiver Manager for the Premises for the sole purpose of obtaining a specific and separate VAT registration facility and number for the VAT element of the shared service charges collected and discharged and to manage the VAT obligations with HMRC.

33. For the avoidance of doubt the Manager shall address demands in relation to shared services provided to the hotel (as identified in para.14 of Annex 1, below) to YFSCR Limited, and YFSCR Limited shall be liable to the Manager in respect of such demands.
34. For the avoidance of doubt, the Manager shall, on his service charge demands made of any of the Respondents, describe himself as a Manager appointed under s.24, Landlord and Tenant Act 1987.
35. The Manager will notify Canary Riverside Estate Management Ltd of issues relating to the commercial premises as soon as reasonably practicable after he becomes aware of the same.

Annex 1: commercial tenants

1. 28W Holdings Limited for a term of 25 years from 1 March 2010 in respect of 28 Westferry Circus (Title No. EGL574809)
2. Gioma (UK) Limited for a term of 25 years from 1 April 2000 in respect of 29 Westferry Circus (Title No. EGL454635)
3. Pearl Investments Limited for a term of 25 years from 1 October 2000 in respect of 30 Westferry Circus (Title No. EGL444371)
4. Cafe Brera Limited for a term of 25 years from 1 October 1999 in respect of 31 Westferry Circus (Title No. EGL428308)
5. Azzurri Restaurants Limited for a term of 25 years from 25 December 2002 in respect of 33 Westferry Circus (Title No. EGL461564)
6. Marathon Estates Limited for a term of 7 years (less one day) from 28 September 2015 in respect of part ground floor, G6A Belgrave Court, 36 Westferry Circus.
7. Prezzo Limited for a term of 25 years from 31 January 2005 in respect of 37 Westferry Circus (Title No. EGL485348)
8. Tower Quay Limited for a term of 7 years (less one day) from 28 September 2015 in respect of part of ground floor, 38 Westferry Circus
9. Circus Apartments Limited for a term of 999 years (less three days) from 28 May 1997 in respect of part of Eaton House, 38 Westferry Circus (Title No. EGL445878)
10. Tower Quay Limited for a term of 5 years from 28 September 2015 in respect of part of ground floor, 40 Westferry Circus
11. A Fresh Start Limited for a term of 15 years from 10 June 2015 in respect of 49 Westferry Circus
12. Westminster Management Services Limited for a term of 5 years from 21 June 2016 in respect of the ground and first floors, 50 Westferry Circus
13. Virgin Active health Clubs Limited for a term of 35 years from 7 May 1999 in respect of the Health Club, Pool and Tennis Court (Title No. EGL455196) and Plant Area Belgrave Court, 36 Westferry Circus (Title No. EGL455194)

14. **YFSCR Limited for a term of 50 years from 16 December 1999 in respect of Canary Riverside Plaza Hotel (Title No. EGL416899)**

15. **Yianis Hotels Limited for a term of 999 years under lease dated 12 December 2000**