

LOVELL HOMES



Land South of Pavenhill, Purton

**Management Scheme
June 2026**

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Introduction

This document has been prepared to support the Reserved Matters planning application for the development of 60 new homes at the site at Pavenhill, Purton, SN5. The new development is being delivered by Lovell Homes in accordance with the Outline Planning Consent which was granted on appeal on 5th March 2025 Ref: APP/Y3940/W/24/3349801

The proposed scheme delivers new homes in a unique landscape setting and provides areas of publicly accessible neighbourhood open space. Improvements to the site's wildlife and biodiversity will be delivered through a landscape scheme running through the site which will provide new trees, hedges suitable for ecological conservation and enhancement of existing field boundaries. A Sustainable Drainage System will ensure the effective management of surface water drainage for the site and features which will also provide an opportunity to enhance biodiversity and ecology.

The landscaped areas, play area and public open space incorporating a community orchard will require ongoing private maintenance and management as is not usually the intention of the local authority to adopt these areas. This report provides details of the legal management structure and management arrangements which are proposed for the development to enable the delivery of the future maintenance and management of the scheme.

The landscape, play and open space areas on the development form an integral part of the requirement for a long-term management plan, however there are other items which will benefit from a formal management regime which will keep maintenance standards within public realm areas to the highest standard, such as private drives, private street lighting, etc.

Relevant Outline Conditions which relate to future maintenance and management and are being submitted alongside the Reserved Matters Application are:

Condition 17 – LEMP- Landscape and Ecology Management Plan

Prior to the start of construction, a Landscape and Ecology Management Plan (LEMP) prepared in accordance with recommendations in Section 5 of the Preliminary Ecological Appraisal and submitted Auditing and Accounting for Biodiversity Spreadsheet shall be submitted to and approved in writing by the local planning authority. The LEMP will include:

- A plan specifying the location, number and type of features with the built environment to benefit, but not exclusively, birds, bats and hedgehogs.
- Long term objectives and targets, management responsibilities and maintenance schedules for each ecological feature within the development.
- A mechanism for monitoring success of the management prescriptions, incorporating review and necessary adaptive management in order to attain targets. The LEMP shall also include details of the legal and funding mechanism(s) by which long-term implementation of the plan will be secured.
- The LEMP shall be implemented in full and for the lifetime of the development in accordance with the approved details

The associated S.106 Agreement dated 7th February 2025 also contains requirements in respect of Open Spaces/ Play Area and Management Company in Schedule 5, clauses 1, 11 and 12 as follows:

- 1 "The Owner must submit to the Service Head - Highway Operations for approval in writing prior to the Commencement of Development the Landscape Plan including the Management Scheme and not Commence Development until the Landscape Plan including the Management Scheme has been approved in writing by the Service Head - Highway Operations (such approval not to be unreasonably withheld) and thereafter shall lay out the Open Space and Play Area in accordance with the approved Landscape Plan"
- 11 Not to use or Occupy or cause or suffer or permit the use or Occupation of any of the Residential Units until such time as the Owner has at its own expense:
 - 11.1 set up and registered the Management Company as a private limited company incorporated and registered in England at Companies House.

- 11.2 ensured that the Management Company has at least two named persons as Directors and one Company Secretary that are eligible to be appointed and (if required) removed and replaced by the Members of the Management Company
 - 11.3 procured that the 11.3 Management Company appoints a named manager ("the MC Manager") responsible for liaising with the Council and owners and occupiers of the Residential Units.
 - 11.4 procured through the Management Company documentation (as set out in paragraph 12 below) that the Management Company will hold at least one (1) public meeting per year.
 - 11.5 procured that the Management Company is responsible for the upkeep and on-going maintenance of Open Space and/or Play Area in accordance with the approved Landscape Plan and the obligations under this Agreement.
- 12 Management Company Documents: Not to use or Occupy or cause or suffer or permit the use or Occupation of any of the Residential Units until such time as the Owner has provided the Council with the following information and documents relating to the Management Company:
- 12.1 a copy of the company Certificate of Incorporation and Articles of Memorandum;
 - 12.2 a copy of its Rules (including the holding of at least one (1) public meeting per year and the giving of a minimum of seven (7) days written notice of each meeting to the Council and all Company Members and any other interested parties and to provide suitable facilities for the meetings of the Management Company) and Regulations and operational manuals;
 - 12.3 any other relevant documentation relating to the Open Space and/or the Play Area;
 - 12.4 details of the names and addresses of all Directors, Members and the Company Secretary;
 - 12.5 full and sufficient details of the financial resources available to the Management Company including evidence that there are adequate resources in place to undertake the maintenance of the Open Space and/or the Play Area in perpetuity in accordance with the Management Scheme.

Although the incorporation of the Resident Management Company will not be progressed until construction works are underway, and therefore we will not be able to satisfy the requirements under clauses 11 and 12 above, this document sets out Lovell's approach to Estate Management and is the 'Management Scheme' we are proposing for the development as required by Schedule 5, clause 1.

1. Managing the Development

Many new housing developments have a Management Plan which sets out how the different areas of the estate are maintained and managed once the development is complete, from public open spaces to ecological areas. It is not unusual for purchasers of leasehold apartments to have to contribute towards the management of their apartment block for cleaning of communal areas, buildings insurance or the maintenance of communal gardens. However, it is becoming more common for freehold purchasers to be expected to contribute towards the management of landscaped areas, communal parking courts and estate wide facilities.

The legal issues surrounding the way new housing developments are managed are often a complicated and confusing matter. Over the years we have tried to simplify the way in which we manage our developments to ensure that all our purchasers are fully aware of the obligations in the legal documents and the annual costs they must pay.

This document is designed to provide information about how the development will be managed in the future. All residents, whether freehold purchasers or those renting/ purchasing affordable homes will need to contribute to the management of the estate to ensure that standards of maintenance are safeguarded for the future.

All new houses for sale on the development will be sold Freehold (Open Market). The affordable homes (Affordable Rent and Shared Ownership) required to be delivered by the S.106 Planning Agreement will be transferred to the Registered Provider (RP) but delivered by Lovell. All residents (either directly or via the RP) will be obligated to pay the Service Charges as detailed within this document.

A Residents Management Company – RMC (which is a Limited Company) will be set up for the development and each purchaser will be a member of the company (Open Market and Affordable housing). We will appoint a Managing Agent on behalf of the RMC to manage and maintain the development. This appointment needs to be made prior to sales launch so that all prospective purchasers and our RP partner are clear about the charges which will apply. The areas which require attention include:

- Public open space
- Play Areas
- Incidental open space
- Landscaped buffer areas
- Visitor parking
- Surface water attenuation tank / basin
- Boundary features / fences to landscape areas
- Private drives

This document is to be read in conjunction with the following information which has been submitted as part of the RM planning application:

- P.1464.21.01A Tree Survey — Ascerta May 2026
- P.1464.26 Arboricultural Impact Assessment – Ascerta May 2026
- Preliminary Ecological Appraisal Report – Ascerta May 2026
- P.1464.21 L01-L04A Landscape Layout –Ascerta May 2026
- P.1464.21 L05-L09A Planting Plan – Ascerta May 2026
- P.1462.21 LEMP – Ascerta July 2026
- PURT-26-04-13 - Management Plan – Think Urban June 2026

These documents provide landscape and ecology proposals for the development and together with this document form 'The Management Scheme'.

2. The Charges

Once planning is secured and the detail of the scheme approved, we will obtain service charge budgets from reputable Managing Agents.

There will be different service charges which are applicable to different properties. In brief, the following charges will apply to the following plots:

Estate Charge	All Plots
Private Driveway Charge	Relevant Plots

Any specific service charges for the affordable homes will be levied directly by Registered Provider (RP) and charges are not included within this schedule. Any private drives which serve the affordable homes will be managed by the Registered Provider (RP) directly and not subject to service charge.

We are proposing that the maintenance and management of the orchard will fall within the

The Estate Charge

Grounds Maintenance tasks will include (but not be limited to):

- Cut amenity grass and mulch or remove arisings
- Maintain landscaped areas as per the documents listed above
- Strim around edges and banks to all open space areas/
- Inspect underground attenuation tanks (if applicable)
- Play Area Inspections
- Remove litter
- Spray or hand pick weeds
- Prune shrub beds when required
- Cut boundary hedges
- Check tree stakes and ties, and adjust when necessary
- Sweep / blow pathways
- Check/ maintain any boundary features/ fences along landscaped areas.

The Private Driveway Charge

The ownership of private driveways will be legally transferred and shared between those plots which have use of them, however the management of them on a day-to-day basis will be via a service charge to ensure that the standard of maintenance is kept high and to avoid neighborly disputes when works are required.

All maintenance will be carried out with an emphasis on preventative maintenance which is more cost effective. The driveways are not likely to require any major maintenance for a number of years so routine inspection will be required until such time as surface replacement is required:

- Monitor roads twice per annum and record any defects
- Monitor footways for signs of wear, vehicle damage or damage by tree roots
- Cleaning of drainage gullies (frequency dependent on amount of silt and detritus build up)

Annual Management Charge Specification

The appointed Managing Agent's responsibilities include:

- Management services carried out in accordance with IRPM, RICS, ARMA, & Ombudsman codes of conduct
- Providing an annual budget for maintenance of the estate

- Administering a sinking fund to cover any large items of future expenditure. This fund is kept in a separate account on behalf of the residents
- Arranging necessary insurances
- Arranging the grounds maintenance and regular monitoring to ensure that standards are kept high.
- Ensuring the instruction of any specialist contractors, Arboriculturalists, Ecologists, etc. to undertake required works
- Ensuring that any contractors allowed onto the development have sufficient knowledge of health and safety legislation and comply with contractor vetting procedures
- Supervision of repairs and maintenance and compliance with consultation legislation—ensuring that the estate is safe
- Providing full accounting information on demand and having fully audited books available at the end of each accounting year.
- Organising and attending an Annual General Meeting if necessary.
- Responding to residents' queries in a polite and efficient manner
- Any other duty required to ensure that the estate is well maintained, has pleasant, well cared for grounds and is a safe environment for residents.
- Quarterly property inspections by experienced and qualified senior staff, with updates circulated to homeowners
- Collection of service charges and ground rent, and arrears procedures
- Liaising with Management Company Directors, attending Director's meetings, and arranging and attending AGM's
- Establishing and maintaining detailed records and workflows, ensuring information is available seamlessly for all parties.
- Dealing with solicitor's enquiries and formulating management packs for the sale of leasehold apartments and freehold houses (separate administration fee applicable)
- Posting information on customer portal (including inspection records and updates of activities undertaken)

3. Future Ownership

Purchasers/ residents often wonder who will finally OWN the development on which they live and the answer to this is often complex as it differs from development to development.

The Estate

A Resident Management Company (RMC) will be set up for the Estate and it is the intention that all remaining land within the title, once all of the homes are sold or transferred to the (RP) will be transferred to the RMC. All residents will 'own' the Estate as they all have a share in the RMC.

Lovell currently own the land and will facilitate the delivery of the scheme.

The homes/plots for Sale will be facilitated by Lovell through the sale and transfer of plots directly with the Purchasers via an agreed conveyancing plan. The Managed Areas of the Estate, not within the conveyed plot areas will be transferred to the RMC on completion of the development.

New Open Market Houses

All purchasers who buy a new house on the development will own the FREEHOLD of their property as per the conveyed red line boundary on the legal plan.

Affordable Houses

The affordable houses/plots (Affordable Rent and Shared Ownership Homes) will be purchased by the (RP) and managed by them directly.

4. The Management Company

a. What is the identity and legal personality of the management company?

The proposed development comprises homes for sale and Affordable homes which will be managed by the Registered Provider (RP). The freehold of the Affordable homes will be transferred to the RP throughout the build with the homes for sale being transferred to the purchaser via the plot sale.

A Resident Management Company (RMC) will be set up for the development, which is a legal entity incorporated at Companies House. Each homeowner (and nominated RP) will be a member of this company and will have the opportunity to have an input into the running of the Management Company.

A Managing Agent will be appointed by Lovell way of a Management Agreement to manage and maintain the areas of open space on this development on a day-to-day basis on behalf of the Resident's Management Company.

b. Who will have ultimate ownership/ control of the management company?

At the point where the last property is sold, the appointed Managing Agent will hold an Annual General Meeting and each resident will be invited. Control of the Management Company will be passed from Lovell to the residents who will each have the opportunity to become a Director of the Management Company. The residents as a Resident Management Company will have ultimate ownership and control.

The Residents Management Company will take ownership of the remaining land within the development outside of the plots.

The appointed Managing Agents will carry out all maintenance obligations on the development and carry out all administrative duties on behalf of the Management Company. They will liaise with Directors at the point where they produce the annual budgets to ensure that they are providing the best value service on behalf of the residents. Having resident directors gives them a point of contact on the development and it helps them to provide the best possible service at all times.

The appointed Managing Agent will be responsible for the day-to-day running of the Development on behalf of the RMC and will:

- Provide an annual budget for maintenance of the different areas of the development as described above.
- Administer a sinking fund to cover any large items of future expenditure. This fund is kept in a separate account on behalf of the residents
- Arrange buildings insurance, public indemnity insurance and any other insurances required
- Arrange all grounds maintenance and regularly monitoring to ensure that standards are adhered to.
- Ensure that any staff allowed onto the development have sufficient knowledge of health and safety legislation and provide the relevant method statements and risk assessments
- Ensure that the estate is safe and complies with all necessary legislation
- Provide full accounting information on demand and having fully audited books available at the end of each accounting year.
- Organisation of an Annual General Meeting
- Appointing Directors to the Management Company if and when required
- Respond to resident's queries and generally communicating with them whenever necessary.
- Any other duty that is required to ensure that the estate is well maintained, has pleasant well cared for grounds and is a safe environment for residents.

c. What is the intended method of funding and the arrangements intended to ensure that funds provided for the discharge of the requirements of the relevant plan are adequate for that purpose on a long-term basis of at least eighty years?

Each plot will be obligated to pay a service charge for the management and maintenance of the estate. Different charges will apply to different plots within the development depending on the facilities they use.

All plots will be responsible for the payment of an 'Estate Charge' which will cover the management and maintenance of these elements. This 'Estate Charge' will ensure that the overall development is maintained and managed on a day-to-day basis.

It is the intention that the Resident Management Company will be responsible for the overall management of the estate and that it will take transfer of managed areas.

Each plot contract and transfer document contains specific provisions and covenants of the individual purchasers and also of the Residents Management Company (RMC). These provisions and covenants are included within **APPENDIX 1**.

Deed of Covenant: The form of the deed of covenant to be given by future transferees with the Management Company is included within **APPENDIX 2**. This obligates every purchaser moving onto the development to agree to the provisions and covenants within the transfer.

Successors in Title: Given that the Residents Management Company will take ownership of the landscaped areas, they will automatically 'inherit' the obligations contained within the planning consent as the land is bound by the planning consent granted, and they will be required to ensure that these are satisfied accordingly.

Lovell will have effective control of the management company at the time of transfer of the above areas to the management company and is therefore able to incorporate and provisions it considers appropriate within the transfer with a view to ensuring the agreed long-term management strategy for these areas is observed. Handover of control of the management company to the residents would follow this transfer.

At the end of each financial year, the Managing Agent will submit to the RMC a set of audited accounts showing the income and expenditure for the previous year and a budget forecast for the coming 12-month period. Once approved by the Directors of the RMC, the budget forecast will be implemented and the residents informed of the management charge.

- d. The arrangements for the transfer of the management company's responsibilities in the event of default winding up or insolvency including the step in rights (which for the avoidance of doubt shall be wholly discretionary on the part of the Council) to the Council to remedy a breach of the management company's obligations and the ability for the Council to utilise the income of the management company from the Development or otherwise to recover from the management company the reasonable costs incurred by the Council in remedying a breach?**

We believe that the risk involved has been significantly reduced with the formation and incorporation of an RMC. If the Managing Agent default, ceases trading or fails to satisfy their obligations under the terms of its appointment, the Directors of the RMC have authority to appoint an alternative Managing Agent to fulfill the role.

It is very unusual for an RMC to become insolvent or wound up as usually it is the Managing Agent who are at fault or in breach of their obligations as outlined above this is remedied by appointing a replacement competent Managing Agent.

The Management Company will be able to appoint a new managing agent in the event that the managing agents act in default and/or go insolvent and in the unlikely event that the RMC were to become insolvent, we could also offer the Council rights to step in and administer the RMC and deliver the services required.

Our Managing Agents use a banking system which is a Client Account with virtual accounts within it. This enables them to have one client account that is separate to their own company account. They can therefore open an account for each development, and the account synchronizes with their property management

software to allow automated reconciliations. All funds within this account are kept in trust and in the unlikely event that anything should happen to the appointed Managing Agent, the funds within each account can easily be transferred to the Management Company or their replacement agent. The RMC would therefore have its own dedicated account within it and the money would be kept in trust for the RMC. If the RMC was wound up or became insolvent, the funds are safe in the client account and would be transferred to a newly appointed managing agent or the Council if it were to step in.

Lovell also retains responsibility if the Management Company fails to fulfil any of its obligations. At the request in writing of any resident to Lovell, we will fulfil those obligations subject to payment being made. Full provisions are within the Plot Transfer.

5. Frequently Asked Questions

Q. Why are there Residents Management Companies (RMCs) on this development?

A. Traditionally, areas of open space on new developments would have been adopted by the Local Authority. Local Authorities are becoming less willing to adopt these areas, so an alternative option is required to ensure these areas are maintained year after year.

Q. How is the RMC set up?

A. The RMC is a Limited Company which is set up by the developer at the commencement of building work. Each new homeowner will be a member of this Company. At the point where the last property is sold, the managing agent will hold an Annual General Meeting, and each homeowner will be invited. Control of the RMC will be passed on from the developer to the residents who will have the opportunity to become a Director of the Management Company.

Q. What responsibilities would I have as a Director of the RMC?

A. The managing agent will carry out all administrative duties on behalf of the RMC. They prefer to liaise with Directors at the point where they produce the annual budgets to ensure that they provide the best value service. They will also hold an Annual General Meeting which everyone will be invited to and they would hope that the Directors could attend. Having resident directors gives them a point of contact on the development and it helps them to always provide the best possible service.

Q. What are the likely charges?

A. A full breakdown of the service charge will be provided to each resident and to the Registered Provider for the Affordable Rent- Shared Ownership homes. The first service charge invoice will be sent at the point where the development is handed over to the Managing Agent. Sometimes the service charge is asked for on sales completion or areas are handed over in phases and the properties that have sold will be liable to the charge. This depends on the development. The developer will be liable for the costs on the properties that have not yet sold.

Q. Are the costs likely to increase significantly year on year?

A. We are committed to ensuring a good service from the appointed managing agent that represents value for money. We do not anticipate any major increases and there are no facilities on this site that would suggest that there would need to be a large increase. We can guarantee that the Management Fees set will not increase excessively other than with inflation.

Q. Can we be assured that the standard of maintenance will be as good as that which the Local Authority might provide?

A. You should expect to see a better standard of maintenance than that of the Local Authority. Maintenance crews will be on site fortnightly through the summer and monthly through the winter months. This is more frequent than the Local Authority. We will follow the landscape plan to ensure that the site provides the best opportunities for wildlife and our landscape supervisors will ensure that each area is maintained to the highest standards.

Q. Are the maintenance teams directly employed or sub-contracted?

A. Usually managing agents will either have their own directly employed maintenance teams led by a landscape supervisor or they work with local companies to deliver the services. This works better because they are fully aware of the standards expected and they can react to any problems on site very quickly. The teams are polite and approachable and will help residents wherever possible.

Q. What can be done if the Managing Agent fails to achieve the necessary standards?

A. If residents collectively feel that the Managing Agent are not providing an adequate service then the RMC can replace them with a Company of their choice.

Q. Is the payment annual and what method of payment is available?

A. The payment can be monthly, annual or bi-annual by cheque or standing order.

Q. What if a resident refuses to pay?

A. If this happens, we are always prepared to consider individual circumstances before taking legal action to recover the debt. A property cannot be sold unless outstanding accounts are first repaid with interest.

Q. Who do we contact if there is a problem?

A. Please contact your Managing Agent. Telephone numbers, email addresses and postal addresses will be provided.

Q. Who pays if there is a failure of a key piece of equipment or infrastructure?

A. Many sites we manage have items such as infrastructure/ equipment that could potentially be costly if they break. We therefore put in place a reserve fund for the apartments and also the common parts which builds up in a separate account every year to cover such repairs.

APPENDIX 1
Lovell Transfer Standard Provisions/ Covenants

LOVELL

In the Lovell standard transfer document, the purchasers are legally bound to perform and observe covenants set out in the document:

12.4 Transferee's Covenants

12.4.1 The Transferee hereby covenants with the Management Company and the Transferor:

- 12.4.1.1 to pay to the Management Company the Transferee's Maintenance Costs in advance on the Payment Days (the first payment being an apportioned part to be made on the execution hereof)
- 12.4.1.2 to apply to become a member of the Management Company in accordance with the requirements of the Articles of Association of the Management Company and if so requested by the Management Company to serve as a Director and/or Secretary of the Management Company
- 12.4.1.3 not to transfer the Property without first procuring that the person firm company or body to whom the Property is transferred to
 - (a) applies to become a member of the Management Company; and
 - (b) enters into a deed of covenant in the form set out in Schedule 3 hereof or in such other form as shall from time to time be specified by the Management Company whereby it he or they covenant directly with the Management Company and the Transferor (and to the same effect as would have been achieved if the intending transferee had been a party to this Transfer as the Transferee) to observe and perform all of the covenants obligations provisions and other matters on the part of the Transferee within this Transfer and to give effect to this covenant the Transferee and the Management Company hereby apply to the Chief Land Registrar for the following restriction to be entered on the Register of the title to the Property:-

"No transfer of the registered estate by the proprietor of the registered estate, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a certificate signed by [Insert Name] Management Company Limited (Company Registration Number [Insert Co No]) whose registered office is situated at One Eleven Edmund Street Birmingham B3 2HJ or their conveyancer that the provisions of clauses 12.4.1 and 12.9 of the Transfer dated [date of this Transfer] have been complied with"

12.4.2 The Transferee covenants with the Transferor for the benefit and protection of each and every part of the remainder of the land comprised in the Estate and so as to bind the land hereby transferred into whosoever hands the same may come that the Transferee will observe and comply with the rights covenants and other matters (if any) more particularly referred to in the Transferor's title to the Property insofar as the same are still subsisting and relate to or affect the Property and to indemnify and keep indemnified the Transferor from and against all actions costs proceedings claims and demands in respect thereof to the intent that the Transferor shall not be liable upon the same in any manner

12.4.3 The Transferee hereby further covenants:

- 12.4.3.1 With the Transferor only to observe and perform the covenants and obligations set out within Part 1 of Schedule 1 of this Transfer; and;
- 12.4.3.2 With the Transferor only for the Alteration Period to observe and perform the covenants and obligations set out within Part 2 of Schedule 1 of this Transfer; and
- 12.4.3.3 With the Transferor only for the Development Period to observe and perform the covenants and obligations set out within Part 3 of Schedule 1 of this Transfer; and
- 12.4.3.4 With the Transferor the Management Company and the other Owners to observe and perform the covenants and obligations set out within Schedule 2 of this Transfer

12.7 Management Company's Covenants

- 12.7.1 Subject to the Transferee's Maintenance Costs being paid by the Transferee and to substantial compliance by the Transferee with all the covenants and obligations on the Transferee's part in this Transfer contained the Management Company covenants with the Transferee to provide the following Common Parts Services in an efficient and businesslike manner:
- 12.7.1.1 inspecting, repairing, maintaining, cleaning, landscaping, planting and cultivating as appropriate and when necessary (in the reasonable opinion of the Management Company), altering, renewing, replacing and rebuilding the Common Parts;
 - 12.7.1.2 providing and maintaining a supply of electricity to the Common Parts and providing lighting to the Common Parts where appropriate.
- 12.7.2 The Management Company will not be liable for any loss or damage incurred by the Transferee arising from:
- 12.7.2.1 any failure or delay in the provision of the Common Parts Services unless and until the Transferee has notified the Transferor in writing of the breach and the Transferor has failed to remedy the breach within a reasonable time;
 - 12.7.2.2 any act or omission of an Owner;
 - 12.7.2.3 any act of vandalism or graffiti;
 - 12.7.2.4 any failure, interruption or delay in the performance of the Common Parts Services arising from any matter beyond the control of the Management Company including, without limitation, equipment failure, shortage of labour, fuel or materials or labour disputes; or
 - 12.7.2.5 any failure, interruption or delay in the performance of the Common Parts Services arising from the necessary maintenance, repair, replacement or servicing of any plant or equipment used to provide the Common Parts Services
- 12.7.3 If the Management Company reasonably considers it prudent to do so for the benefit of the Owners as a class or for the more efficient management of the Common Parts, it may withhold, add to or vary the Common Parts Services or the means by which they are provided.
- 12.7.4 The Management Company may include within the Common Parts Charges:
- 12.7.4.1 the costs of providing Common Parts Services and Ancillary Costs incurred in any previous Accounting Period which have not been included in any previous statement of the Common Parts Charges;
 - 12.7.4.2 such sums by way of reasonable provision for expenditure which the Management Company reasonably anticipates will be incurred in providing any of the Common Parts Services within the period of three years after the expiration of that Accounting Period; and
 - 12.7.4.3 the following Ancillary Costs:
 - (a) the payment of all existing and future rates (including water rates), taxes, duties, charges, assessments, impositions and outgoings whatsoever payable in respect of any parts of the Estate not sold, let or intended to be sold or let to the Owners including all payments, whether direct or indirect, towards or in connection with the carrying out of all or any of the Common Parts Services;
 - (b) the cost of compliance with or, if the Management Company so requires, making representations against or otherwise contesting the operation of the provisions of any statute or any directions or requirements or

recommendations of any competent authority or of any insurers of the Estate;

- (c) the cost of abating any nuisance to and the cost of removing any obstruction of the Common Parts including, without limitation, the unauthorised parking or dumping of vehicles or materials on the Common Parts;
- (d) the cost of maintenance and inspection contracts for the repair and maintenance of any plant, equipment and machinery used on the Common Parts together with the cost of any policy or policies of insurance for insuring the plant, equipment and machinery used on the Common Parts against sudden or unforeseen damage and breakdown;
- (e) the cost of any policy or policies of insurance for public liability, employer's liability and loss of Common Parts Charges;
- (f) the cost of resurfacing or otherwise replacing such of the Common Parts as the Management Company shall from time to time consider reasonable or appropriate;
- (g) the cost of removing or clearing snow from the Common Parts and gritting them from time to time;
- (h) the cost of any contracts for landscaping, planting and cultivation;
- (i) the cost of the fuel, oil, gas, electricity or other energy supplies needed in running or operating any of the Common Parts Services;
- (j) the cost of employing such staff and other personnel as the Management Company shall reasonably consider necessary or desirable for the carrying out of the Common Parts Services;
- (k) the fees, charges, expenses and commissions payable, on a full indemnity basis, to any professional advisor whom the Management Company may from time to time employ in connection with the maintenance or management of the Common Parts including the cost of preparing and auditing the statement of the Common Parts Charges;
- (l) the Management Company's own management and administration expenses and fees incurred in complying with its obligations in this Transfer
- (m) interest, commission, banking charges and fees in respect of any monies included in the Common Parts Charges borrowed to finance the provision of any of the Common Parts Services or the Ancillary Costs; and
- (n) the cost of any other works, facilities or services of any kind whatsoever which the Management Company reasonably considers necessary or desirable for the benefit of the Common Parts or the Owners tenants and occupiers of the Estate or in the interests of good estate management.

12.7.5 During each Accounting Period:

- 12.7.5.1 if the Management Company does not notify the Transferee of the sum to be paid, the Transferee shall continue to pay the sum which it paid under this paragraph during the previous Accounting Period until it has been notified of the sum to be paid; and
- 12.7.5.2 on notice being given, the Transferee shall pay any balance due to the Management Company which it would have paid had it been notified of the sum to be paid before the beginning of the Accounting Period.

- 12.7.6 As soon as reasonably practicable after the end of each Accounting Period, the Management Company shall provide a written statement of the Common Parts Charges, the Transferee's Proportion of the Common Parts Charges payable by the Transferee for that Accounting Period and the sums already paid by the Transferee towards that expenditure under this paragraph. The Transferee shall pay any balance due to the Management Company within fourteen days of the receipt of the statement and any refund due to the Transferee shall be deducted from the next payment or payments to be made by the Transferee under this paragraph.
- 12.7.7 The Management Company shall not charge to the Transferee the cost of:
- 12.7.7.1 any expenditure covered by any policy or policies of insurance effected by the Management Company to cover loss of Common Parts Charges;
 - 12.7.7.2 marketing and letting any vacant parts of the Estate which are intended to be sold or let to Owners;
 - 12.7.7.3 any liability or expense which the Transferee is responsible under this transfer or for which other Owners, tenants or occupiers of the Estate are individually responsible; or
 - 12.7.7.4 any capital expenditure incurred prior to the date of this transfer for the installation or establishment of any of the Common Parts Services.
- 12.7.8 If, in any Accounting Period, the Management Company reasonably desires or is required to pay or incur any costs in respect of the Common Parts Services or any Ancillary Costs and the money held by the Management Company on account for the Common Parts Charges is insufficient for this purpose, the Management Company shall be entitled to demand a further sum on account of the Common Parts Charges for that Accounting Period. The Transferee shall pay such sum to the Management Company within fourteen days of demand.
- 12.7.9 Subject to any applicable legislation the Transferee shall not be entitled to dispute the Common Parts Charges by reason only that the Common Parts Services or Ancillary Costs could have been provided or incurred at a cost less than that in fact incurred by the Management Company.
- 12.7.10 Any part of the Common Parts Charges to be held as a reserve fund shall be kept in a separate account and any interest on or income of the reserve fund shall be held by the Management Company in trust for the Owners and shall only be applied towards the costs of the Common Parts Services and Ancillary Costs.

12.8 Transferor's Covenants

The Transferor (here meaning Lovell Partnerships Limited only) covenants with the Transferee and the Transferee's successors in title:

- 12.8.1 to indemnify the Transferee and the Transferee's successors in title against all actions costs claims demands and liabilities arising from any failure by the Transferor to comply with the terms of the Section 106 Agreement; and
- 12.8.2 to construct and maintain the Estate Sewers and Estate Roads to the requirements of the relevant public authority and the Transferor will indemnify the Transferee and the Transferee's successors in title against all actions costs claims demands and liabilities arising from any failure to do so until the Estate Sewers and Estate Roads become maintainable at public expense; and
- 12.8.3 to layout and construct the Common Parts in accordance with the planning permission for their laying out and construction
- 12.8.4 If the Management Company either:
 - 12.8.4.1 (a) is Insolvent; or
 - (b) substantially defaults in its performance of any of the covenants or obligations relating to maintenance of the Common Parts referred to in this Transfer,then the Transferor will, to the extent it is permitted to do so, provide reasonable assistance to the Transferee and the Owners to appoint a successor management company to perform the covenants and obligations imposed upon the Management Company relating to the maintenance of the Common Parts
- 12.8.4.2

SCHEDULE 3

Form of deed of covenant to be given by future transferees with the Management Company

I, (assignee) of (address) ("the Assignee") hereby COVENANT with <LC:55.SURNAME> (Company Registration Number <LC:55.COMPNO>) whose registered office is situate at [One Eleven Edmund Street Birmingham B3 2HJ] ("the Company") and LOVELL PARTNERSHIPS LIMITED (Company Registration Number 2387333) whose registered office is situate at [specify registered office address] that I and my successors in title of [specify address of Property] ("the Premises") will at all times from [] 20 pay the Transferee's Maintenance Costs and other monies covenanted to be paid in accordance with the provisions of a Transfer of Part dated [] 20 and made between (1) Lovell Partnerships Limited (2) and <135> ("the Original Transferee") (3) ("the Original Transfer") of the Premises which Premises were transferred to me by a transfer bearing even date and executed contemporaneously herewith and that I will observe and perform all the covenants obligations restrictions and stipulations contained in the Original Transfer and on the part of the Original Transferee to be observed and performed (whether running with the Premises or of a purely personal or collateral nature) to the same extent as if I were the Original Transferee named in the Original Transfer.

I also AGREE that all notices served under the Original Transfer in anticipation of proceedings against me by the Company may be served upon me by post addressed to me at the Premises or by delivery at the Premises.

Dated this day of 20
[ATTESTATION CLAUSES]

APPENDIX 2
Deed of Covenant
(Contained within Schedule 3 of the Transfer)