

**PART 2**  
**DECLARATION**

Company No [ ]

Draft (6): 22/08/07  
SHRM/503792 07162/DJM

The Companies Act 1985

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Company Limited by Guarantee  
and not having a share capital

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Community Trust Declaration

of

Leybourne Grange Management Company Limited (being a Community Interest Company)

Incorporated on [ ]



Pinsent Masons

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# LEYBOURNE GRANGE MANAGEMENT COMPANY LIMITED

## COMMUNITY TRUST DECLARATION

### 1. ARTICLE I : CONCEPTS AND DEFINITIONS

The terms used in this Declaration are given their natural, commonly accepted meanings unless otherwise specified. The following definitions shall apply:-

<b>"Articles of Association" or "Articles"</b>	means the Articles of Association of the Company, as they may be amended from time to time. A copy of the Articles as at the date of this Declaration is attached as Exhibit "C"
<b>"Board of Directors" or "Board"</b>	means the board of directors of the Company, appointed as provided in the Articles
<b>"Business Plan"</b>	means the business plan attached at Exhibit F or as updated from time to time by the Board
<b>"Capital Payment"</b>	means any payment made by Taylor Wimpey or any Group Company to the Company by means of a capital payment (and not to cover void Units)
<b>"CDT Transfer"</b>	means any transfer pursuant to the Development Agreement of the Managed Land by English Partnerships to the Company
<b>"CIC Regulator"</b>	means the independent regulator appointed pursuant to the Companies (Audit, Investigations and Community Enterprise) Act 2004
<b>"Class A Members"</b>	means the Owners
<b>"Class B Member"</b>	means Taylor Wimpey
<b>"Class C Member"</b>	means English Partnerships
<b>"Class D Member"</b>	means TCHA
<b>"Community Interest Company"</b>	means a community interest company formed pursuant to the Companies (Audit, Investigations and Community Enterprise) Act 2004
<b>"Community Standards"</b>	means the Initial Community Standards as may be amended from time to time in accordance with Article III.
<b>"Commuted Sum"</b>	means a sum which would have been payable by Taylor Wimpey to the local planning authority pursuant to the terms of a planning agreement or unilateral undertaking but which is no longer required so instead is paid by Taylor Wimpey to the Company in lieu of such payment
<b>"Company"</b>	means Leybourne Grange Management Company Limited company number [REDACTED] a private company limited by guarantee, its successors or assigns but shall

always be (unless the Members otherwise agree)  
a Community Interest Company

**"Cumulative Figure"**

means:-

- (a) for year 1 the Net Surplus; and
- (b) for any subsequent year the figure calculated by reference to the following formula:-

$$\text{Cumulative Figure} = A + B$$

Where:-

A = the aggregate of each of the Net Surplus figures for each of the preceding service charge year(s); and

B = the Net Surplus for the current service charge year

**"Deed of Adherence"**

means a deed in the form attached at Exhibit "D"

**"Deed of Covenant"**

means a deed in the form attached at Exhibit "E"

**"Design Standards"**

means:-

- (i) BREEAM ECO Homes Excellent standard
- (ii) Building for Life Silver Standard
- (iii) Inclusive Design Best Practice
- (iv) Lifetime Homes
- (v) the Minimum Energy Standard
- (vi) the requirement to use Modern Methods of Construction
- (vii) without use of Category C Materials
- (viii) Secured by Design
- (ix) BREEAM very good for commercial buildings

**"Development Agreement"**

means a development agreement dated [ ] between English Partnerships and Taylor Wimpey

**"Development Period"**

means the period commencing on the date of incorporation of the Company and expiring on the last day of the calendar year in which the Company is Financially Viable **PROVIDED THAT** such date cannot occur before Taylor Wimpey has exchanged contracts for the sale or lease of

	550 or more Units
<b>"English Partnerships"</b>	means The Urban Regeneration Agency (known as English Partnerships)
<b>"EP Period"</b>	means the period commencing on the expiry of the Development Period and ending on the date determined by English Partnerships in its absolute discretion
<b>"Financially Viable"</b>	means either:- <ul style="list-style-type: none"> <li>(a) that the accounts prepared on behalf of the Company for the Managed Land show that the Net Surplus (excluding any Commuted Sums, Capital Payment or Subsidised Service Charge) is £1.00 or more for each of the immediately preceding consecutive 3 service charge years; or</li> <li>(b) the Cumulative Figure as projected by a suitably qualified accountant appointed by the Company (taking into account Commuted Sums and Capital Payments but ignoring any sinking fund allowance) will be £1.00 or more for each of the 20 consecutive service charge years following the date on which such accountant makes his projection</li> </ul>
<b>"Governance Documents"</b>	means the documents referred to or listed in Section 2.5 of this Declaration.
<b>"Group Company"</b>	means any company of which Taylor Wimpey is a subsidiary or which has the same holding company as Taylor Wimpey where "subsidiary" and "holding company" have the meanings given to them in s736 of the Companies Act 1985
<b>"Initial Community Standards"</b>	means the rules and regulations for the use of the Units and the Managed Land set out in Exhibit "B".
<b>"Initial Lease"</b>	means:- <ul style="list-style-type: none"> <li>(a) in the case of a Residential Unit owned on a shared ownership basis the lease to such shared ownership tenant; and</li> <li>(b) in the case of other Units to be let the first lease granted by Taylor Wimpey of each such Unit.</li> </ul>
<b>"Initial Owner"</b>	means each Owner pursuant to either an Initial Lease or an Initial Transfer
<b>"Initial Transfer"</b>	means each transfer entered into by English Partnerships and the Owner by which the freehold interest in a single Unit is transferred.

**"Insolvent"**

means:-

- (a) any step is taken in connection with any voluntary arrangement or any other compromise or arrangement for the benefit of any creditors of the Company; or
- (b) an application is made for an administration order; or
- (c) the appointment of an administrator, the filing of documents with the court for the appointment of an administrator or the giving of notice of intention to appoint an administrator by the Company or their respective directors, or by a qualifying floating charge holder (as defined in paragraph 14 of Schedule B1 to the Insolvency Act 1986) or
- (d) a receiver or manager is appointed in relation to any property or income of the Company; or
- (e) a liquidator is appointed in respect of the Company; or
- (f) a voluntary winding-up of the Company is commenced, except a winding-up for the purpose of amalgamation or reconstruction of a solvent company in respect of which a statutory declaration of solvency has been filed with the Registrar of Companies; or
- (g) a petition is made for a winding-up order for the Company.

**"Land Registry"**

means the Land Registry for England and Wales or its statutory successor.

**"Leybourne Grange"**

means the land described in Exhibit "A", together with any other property which may by subsequent declaration be included.

**"Managed Land"**

means the land and buildings referred to in the Development Agreement as "CDT Land" and "CDT Buildings" and any additional areas for which the Company assumes responsibility for maintenance and management

**"Members"**

means the Class A Members, the Class B Member, the Class C Member and the Class D Member.

**"Memorandum"**

means the Memorandum of Association of the Company as it may be amended from time to time.

<b>"Mortgage"</b>	means a mortgage, a legal charge, or any other form of security affecting title to any Unit.
<b>"Mortgagee"</b>	shall refer to a beneficiary or holder of a Mortgage.
<b>"Net Surplus"</b>	<p>means:-</p> <p><math>A - B = \text{Net Surplus}</math></p> <p>Where:-</p> <p>A = income</p> <p>B = direct costs + overheads + bad debts</p> <p>the meaning of such expressions being evidenced by the Business Plan and for the avoidance of doubt may include items over and above those actually shown on the Business Plan where appropriate to the context</p>
<b>"Non-Residential Unit"</b>	means any buildings erected on or refurbished at Leybourne Grange which are not Residential Units including but not limited to shops, offices and community facilities and their immediate curtilage and any garages, parking spaces, private drives or forecourts relating to such buildings
<b>"Owner"</b>	<p>means:-</p> <ul style="list-style-type: none"> <li>(a) in the case of a Residential Unit which is rented out to an occupier by TCHA, TCHA;</li> <li>(b) in the case of a Residential Unit which is owned on a shared ownership basis between TCHA and one or more individuals, the individuals;</li> <li>(c) in the case of any other Unit, the person(s) Registered or entitled to be Registered as the proprietor of:- <ul style="list-style-type: none"> <li>(i) the freehold estate created by an Initial Transfer; or</li> <li>(ii) the leasehold interest granted by an Initial Lease</li> </ul> </li> </ul>
<b>"Person"</b>	means an individual, a corporation, a partnership, an association, or any other legal entity
<b>"Register"</b> <b>"Registered"</b>	<p><b>"Registering"</b> or means to register, the registration of, or completion of the registration of a registerable instrument at the Land Registry</p>



**"Residential Unit"**

means all buildings erected on any of Leybourne Grange to be used for residential purposes together with their immediate curtilage and any garages, parking spaces, private drives or forecourts relating to such buildings

**["Subsidised Service Charge"**

means any payments made by Taylor Wimpey or a Group Company to the Company or an Owner or Owners which represent a contribution to, an allowance for or settlement of monies payable by one or more Owners to the Company pursuant to an Initial Lease or an Initial Transfer]

**"Taylor Wimpey"**

means Taylor Wimpey Developments Limited

**"TCHA"**

means Town and Country Housing Group of High Weald House, Monson Way, Tunbridge Wells, Kent TN1 1LQ or such other registered social landlord who replaces them from time to time and who may be approved by the local planning authority

**"Unit"**

means any Non-Residential Unit and/or Residential Unit

## **PART ONE: INTRODUCTION TO THE COMMUNITY**

English Partnerships and Taylor Wimpey have created this Declaration to provide a governance structure and a flexible system of standards and procedures for the overall development, expansion, administration, maintenance, and preservation of Leybourne Grange as a sustainable community.

### **2. ARTICLE II: CREATION OF THE COMMUNITY INTEREST COMPANY**

#### **2.1 Purpose and Intent**

- 2.1.1 Leybourne Grange is a complete community that combines excellent housing with community values and a genuine opportunity for a special quality of life. The provisions referred to in this Declaration work together to establish a governance structure and a flexible system of standards and procedures for the development, expansion, administration, maintenance, and preservation of the community.
- 2.1.2 An integral part of the development plan is the creation of the Company. This will own, operate, and/or maintain various common areas and community facilities and administer and enforce this Declaration and other Governance Documents for the purposes defined in 2.1.3 below.
- 2.1.3 Taylor Wimpey and English Partnerships have established the Company to:-
  - (a) own, operate and maintain the Managed Land;
  - (b) administer and enforce the provisions of this Declaration and the Governance Documents;
  - (c) create a sustainable community in which there is a liveable environment, one that provides a meaningful quality of life and varied opportunities for harmonious interaction, sharing, and participation;
  - (d) create and sustain community and neighbourhood values of the benefit of all of the residents of Leybourne Grange.
- 2.1.4 Each Owner will be a member of the Company and, through such membership, will have the opportunity to participate in the governance and administration of Leybourne Grange.

#### **2.2 Leybourne Grange Mission Statement**

The creation of a "Sustainable Community" which is:-

- 2.2.1 active, inclusive and safe – fair, tolerant and cohesive with a strong local culture and other shared community activities;
- 2.2.2 well run – with effective and inclusive participation, representation and leadership;
- 2.2.3 environmentally sensitive – providing places for people to live that are considerate of the environment;
- 2.2.4 well designed and built – featuring a quality built and natural environment;
- 2.2.5 well connected – with good transport services and communication linking people to jobs, schools, health and other services;
- 2.2.6 thriving – with a flourishing and diverse local community;

- 2.2.7 well served – with public, private, and community and voluntary services that are appropriate to people's needs and accessible to all;
- 2.2.8 not in contravention of the Communities and Local Government Sustainable Communities Plan.

**2.3 Effect**

- 2.3.1 This Declaration relates to Leybourne Grange.
- 2.3.2 All Owners when entering into the Initial Transfer or Initial Lease of a Unit are required to enter into a Deed of Adherence to subscribe to membership of the Company and to accept and observe all of the standards, provisions and procedures set out in this Declaration.

**2.4 Governance Documents**

- 2.4.1 The Governance Documents comprise:-
  - (a) The Memorandum and Articles of Association. These establish the Company as a private company limited by guarantee, registered at Companies House and with the CIC Regulator as a Community Interest Company. The Memorandum and Articles of Association govern the Company's internal affairs, such as voting rights, appointment of directors, meetings etc.
  - (b) The Initial Transfers and Initial Leases. These establish a framework of obligations which are binding on the Company and all present and future owners of Units in Leybourne Grange. Within this framework, they allow the Company to issue the Community Standards, regulating the use of property and activities within Leybourne Grange. They also include provision for the Company to make reasonable rules relating to the use and operation of the Managed Land.
  - (c) The Community Standards, established by the Board to regulate the use of property and activities within the Community.
- 2.4.2 This Declaration links the various Governance Documents together to create a comprehensive governance structure for the Company. Its provisions have been adopted and accepted by resolution of the Board and will be accepted by all Owners (by virtue of either a Deed of Covenant or a Deed of Adherence).
- 2.4.3 If there is any conflict between this Declaration and the Governance Documents the Governance Documents shall prevail.
- 2.4.4 It is intended that this Declaration shall apply to all Owners and that the Community Standards shall also apply to any tenants, guests, visitors, invitees, and occupants of a Unit. It will be the responsibility of the Owners to make them aware of the Community Standards.
- 2.4.5 This Declaration shall be subject to, and construed in accordance with English Law. If any dispute arises in connection with or pursuant to this Declaration, then such dispute shall be subject to the exclusive jurisdiction of the English Courts.
- 2.4.6 If any court determines that any provision of this Declaration is invalid, or invalid as applied in a particular instance, such determination shall not affect the validity of other provisions or other applications of the provision in question.

## **2.5 Community Interest Company**

The Members have submitted an application to Companies House (of England and Wales) and to the CIC Regulator for the registration of the Company as a Community Interest Company. Such registration complied with the Community Interest Regulations (S.I.2005 No. 1788) and included:-

- 2.5.1 a community interest statement confirming the intention of the company to serve the community rather than operate for private gain and to pursue activities in the community interest; and
- 2.5.2 a declaration that the Company will not be a political party or controlled by such an organisation.

## **PART TWO: CREATION AND MAINTENANCE OF COMMUNITY STANDARDS**

*The standards for use and conduct, maintenance, and architecture at Leybourne Grange are what give the community its identity and make it a place that people want to call "home". These standards are not intended to restrict and control but to enhance the quality of community living and to empower the Owners and the Company. This Declaration establishes procedures for adopting, modifying, applying and enforcing such standards while providing the flexibility for them to evolve as the community changes and grows.*

### **3. ARTICLE III: USE AND CONDUCT**

#### **3.1 Owners' Acknowledgement and Notice to Purchasers**

Each Owner acknowledges and agrees that the use, enjoyment, and marketability of his or her Unit is limited and affected by the Governance Documents as amended from time to time. In particular, all Owners are on notice that the Company may have adopted changes to the Community Standards and that copies of the Community Standards may be obtained from the Company.

#### **3.2 Rule Making Authority**

3.2.1 Subject to the right of the Members to reject any proposed change to the Community Standards under Section 3.2.2 below, the Board may change, in whole or in part, the Community Standards. The Company shall procure that the Board sends to all Members notice of any proposed change at least ten working days before the Board meeting to consider the change.

3.2.2 The Members at a meeting of the Company duly called for such purpose, may, by a majority vote of the Members of the Company present at such meeting (as defined in the Articles) (duly convened and with the requisite quorum as defined in Article 28 of the Articles), change the Community Standards then in effect or (if appropriate) reject any proposed changes before they come into effect. Subject to Part 3 of this Declaration any such meeting may be called in accordance with the Articles by 10% of the Class A Members.

3.2.3 Before any change in the Community Standards becomes effective, the Company shall send a copy of the new or changed Community Standards to each Owner. The change does not become effective until 30 days following distribution to the Owners. The Company shall provide to any requesting Member or Mortgagee, without cost, a copy of the Community Standards then in effect.

3.2.4 At least once every five years after the EP Period ends, the Board shall present the then current Community Standards to the Members for review in general meeting.

#### **3.3 Protection of Owners and Others**

Except as may be set forth in this Declaration or in the Governance Documents the Company's actions must comply with the following:-

##### **3.3.1 Displays**

- (a) Owners' rights to display on their Units religious and holiday signs, symbols and decorations of the kinds normally displayed in single-family residential neighbourhoods shall not be inhibited, except that the Company may adopt time, place and manner restrictions with respect to such displays.

- (b) The Company shall not regulate the content of political signs. However, it may regulate the time, place, and manner of posting such signs (including design criteria).

### **3.3.2 Activities Within Units**

The Company shall not interfere with activities within a Unit, except it may prohibit activities which are illegal or immoral or offensive or which may grow to be a nuisance annoyance or inconvenience to the Company or the Owner or occupier of any adjoining or neighbouring Unit or which may tend to depreciate or lessen the value of any Unit or Leybourne Grange or any part thereof or which may render void or voidable any insurance for the time being effected on any of the Unit or whereby the rate of premium may be increased.

### **3.3.3 Alienation**

The Company may impose a reasonable registration or administrative fee on the lease or transfer of any Unit.

### **3.3.4 Reasonable Rights to Develop**

The Company shall not:-

- (a) impede Taylor Wimpey's or English Partnerships' right to develop Leybourne Grange;
- (b) in any way fetter or obstruct Taylor Wimpey's or English Partnerships' ability to comply with its obligations in the Development Agreement.

## **4. ARTICLE IV: ARCHITECTURE AND LANDSCAPING**

Each Owner shall be responsible for maintenance, repair and replacement of all parts of the exterior and private garden, if any, of his or her Unit as necessary to keep it in good order and repair, and in a neat, clean and attractive condition consistent with the Community Standards.

### **PART THREE: COMMUNITY GOVERNANCE AND ADMINISTRATION**

*This Declaration establishes the Company as a way for each Owner to participate in the governance and administration of Leybourne Grange. While the Board of Directors has responsibility for the Company's day to day management and operation, some decisions are considered of such importance that they are reserved for the Members.*

#### **5. ARTICLE V: THE COMPANY AND ITS MEMBERS**

##### **5.1 Company's Function**

The Company is the entity responsible for management, maintenance, operation, and control of the Managed Land. The Company also has primary responsibility for administering and enforcing the Governance Documents and shall perform its obligations in accordance with them. The Board shall subject to the provisions of the Governance Documents be responsible for the management of the Company in accordance with the Business Plan and may contract with and/or directly employ a property manager, service provider or managing agent or such other third party as may be necessary for the purposes of performing its obligations in accordance with the Governance Documents.

##### **5.2 Membership**

5.2.1 As at the date of this Declaration the only Members are the Class B Member and the Class C Member.

5.2.2 Every Initial Owner is required to become a Class A Member of the Company and to enter into a Deed of Adherence. Every New Owner (as defined in Section 5.3.1(b) below) shall be required to become a Class A Member and to enter into a Deed of Covenant. There is only one member per Unit. If a Unit is owned by more than one Person, then together they shall constitute one Member and the person whose name appears first in the register of members of the Company (maintained by the Company) shall exercise the voting rights vested in such Member. Co-owners are jointly and severally obligated to perform the responsibilities of an Owner. The membership rights of an Owner which is not an individual (eg a corporation) may be exercised by a duly authorised representative, or by an individual the Owner designates from time to time in a written instrument provided to the Company's Secretary.

##### **5.3 Voting**

The voting rights for the Members shall be as follows:-

###### **5.3.1 Class A Members (the Owners)**

- (a) The Class A membership in the Company, in respect of the Initial Owners of Units, shall commence on the date such Initial Owner acquires a Unit and enters into a Deed of Adherence. Upon any sale or transfer of a Unit by any Owner, the respective Class A membership of that Owner shall terminate automatically.
- (b) Prior to, or simultaneously with, the sale or transfer of a Unit by an Owner the Owner shall procure that the proposed purchaser (the "New Owner") enters into a Deed of Covenant. The date of entry into such Deed of Covenant by a New Owner shall be deemed to be the commencement date of that New Owner's Class A membership. For the avoidance of doubt upon each subsequent sale or transfer by an Owner the New Owner must enter into a Deed of Covenant in accordance with this Section 5.3.1(b)

**5.3.2 Class B Member (Taylor Wimpey)**

- (a) The Class B membership shall commence on the date of this Declaration and shall terminate when the Development Period expires or, if earlier, at the election of the Class C Member upon termination of the Development Agreement (in accordance with its terms).
- (b) Until the end of the Development Period the Class B Member is entitled to cast a majority of all votes capable of being cast at any meeting attended by a quorum of the Members of the Company except in relation to those matters set out in Sections 5.5 to 5.8 (inclusive).

**5.3.3 Class C Member (English Partnerships)**

- (a) The Class C membership shall commence on the date of this Declaration and shall terminate at the expiry of the EP Period.
- (b) The Class C Member is entitled to call an extraordinary meeting of the Company and, if the Company is in default of its obligations, or it is proposed to change either the Memorandum or the Articles or to place the Company into liquidation, it will be entitled to cast a majority of all votes capable of being cast at any meeting relating thereto.

**5.3.4 Class D Member (Town and Country Housing Group)**

The Class D Membership shall commence on the date on which it takes its first Initial Transfer or Initial Lease.

5.4 Save as otherwise provided in this Declaration and in the other Governance Documents, each Member shall be entitled, on a show of hands, to exercise one vote and on a poll every Member shall have one vote.

5.5 Each of the matters referred to in this Section 5.5 shall require the prior approval of all of the Members, either in writing or by their respective representatives at a general meeting of the Company:-

5.5.1 any disposal of the Managed Land;

5.5.2 any disposal of the assets of the Company;

5.5.3 the grant of security, mortgage, charge, encumbrance, pledge, lien (or any other agreement or arrangement having substantially the same economic effect) over the Managed Land or any asset of the Company;

5.6 During the Development Period and the EP Period each of the matters referred to in this Section 5.6 shall be reserved for the sole and exclusive consent of the Class C Member and shall not be effective nor binding on the Company until the Class C Member notifies the Board, in writing, of its approval to such matter:-

5.6.1 any changes to, works on or proposals for the Managed Land which would be contrary to the Design Standards and/or the Community Standards;

5.6.2 any changes to the Design Standards and/or the Community Standards;

5.6.3 any decision by the Company to exercise its right to borrow and/or charge its assets.



5.7 Without prejudice to Section 5.6 above, if any of the following occurs during the Development Period:-

5.7.1 in relation to the Development Agreement:-

- (a) a notice has been served by English Partnerships pursuant to clause 31.1;
- (b) Taylor Wimpey have failed to remedy a breach pursuant to clause 31.2; and/or
- (c) English Partnerships have exercised a Temporary Step-In right pursuant to clause 31.3;

5.7.2 a Class B Director (as such term is defined in Section 6.2.2 below) is not performing his duties and obligations owing to the Company in accordance with the Governance Documents and this Declaration and has been given reasonable written notice to remedy such breach and has failed to do so;

5.7.3 the Company becomes Insolvent;

5.7.4 the Company is not in the opinion of the Class C Member properly enforcing the Community Standards;

5.7.5 the Company is, in the reasonable opinion of the Class C Member, acting outside the scope of any Governance Document or is in breach of any Governance Document,

the Class C Member shall be entitled (acting in its sole and absolute discretion and without any duty to consult with the other Members or the Board of the Company) to require the resignation of the Directors appointed by the Class B Member and be entitled to exercise a majority of all votes capable of being cast at any meeting attended by a quorum of the Members of the Company.

5.8 If any of the events or circumstances referred to in Section 5.7 occur, then the Class B Member shall procure the resignation of each Class B Director from the Board of the Company with immediate effect and shall serve on the Company a notice of such resignation in accordance with Section 6.4.

5.9 Without prejudice to Section 5.6 above, if any of the following occurs during the EP Period:-

5.9.1 the Company becomes Insolvent;

5.9.2 the Company is not in the opinion of the Class C Member properly enforcing the Community Standards;

5.9.3 the Company is, in the reasonable opinion of the Class C Member, acting outside the scope of any Governance Document or is in breach of any Governance Document,

the Class C Member shall be entitled (acting in its sole and absolute discretion and without any duty to consult with the other Members or the Board of the Company) to exercise all voting rights in the Company (which would otherwise be conferred on the Class A and Class D Members) such that all matters requiring Members' approval shall be reserved for the sole and exclusive consent of the Class C Member.

6. **ARTICLE VI: THE BOARD OF DIRECTORS**

6.1 **Board Authority**

Subject to the Governance Documents the day to day business of the Company will be managed by the Board and in accordance with applicable law. Save for matters reserved for the approval or consent of the Members, the Board may exercise all the powers of the Company.

6.2 **Composition of the Board during the Development Period**

During the Development Period:-

6.2.1 the Class A Members will be entitled to appoint 1 director ("Class A Director");

6.2.2 the Class B Member will appoint and ensure that (subject to Sections 5.5 to 5.8) at all times it maintains on the Board 1 director ("Class B Director") and such director shall be chair of the Board (the "Chair");

6.2.3 the Class C Member will be entitled to appoint 1 director ("Class C Director"); and

6.2.4 the Class D Member will be entitled to appoint 1 director ("Class D Director").

6.3 **Composition of the Board during the EP Period**

During the EP Period:-

6.3.1 the Class A Members will be entitled to appoint up to 4 directors ("Class A Directors");

6.3.2 the Class B Member will not be entitled to appoint any directors as it will no longer exist;

6.3.3 the Class C Member will be entitled to appoint 1 director ("Class C Director"); and

6.3.4 the Class D Member will be entitled to appoint 1 director ("Class D Director").

6.4 Any appointment or removal by a Member of its representative directors shall be effected by notice in writing to the Company signed by or on behalf of the Member in question and shall take effect, subject to any contrary intention expressed in the notice, when the notice effecting the same is delivered to the Company. The Member shall procure that any notice served by the Member in question is accompanied by a letter of resignation addressed to the Company from the relevant director (executed by way of deed) which includes an irrevocable and unconditional waiver from such director of all claims howsoever arising against the Company.

6.5 The quorum for the transaction of business at any meeting of the Board of Directors (other than an adjourned meeting) shall, in the Development Period, be constituted by the presence of 2 of the Directors as required by Section 6.2 provided always that the Class B Director is present and during the EP Period, be constituted by the presence of all of the representative directors of each Member as required by Section 6.3.

6.6 If a quorum (as set out in Section 6.5 above) is not present within 30 minutes from the time appointed for the meeting or if during the meeting such a quorum ceases to be present, the meeting shall be adjourned for 7 Business Days. The quorum for a meeting of the Board at any adjourned meeting shall be as set out in Section 6.5 above and each respective Member shall use its reasonable endeavours to procure that its representative Director attend the adjourned meeting.

6.7 At least 14 days' written notice shall be given to each member of the Board of any meeting of the Board of Directors, provided always that a shorter period of notice may be given with the written approval of at least one representative director of each Member. Any such notice shall contain, inter alia, an agenda identifying in reasonable detail the matters to be discussed at the meeting and shall be accompanied by copies of any relevant papers to be discussed at the meeting.

6.8 **Voting**

6.8.1 During the Development Period the Class A Director, the Class C Director and the Class D Director shall each be entitled to one vote at every meeting of the Board (including any adjourned meeting) and the Class B Director shall be entitled to four votes at each meeting of the Board (including any adjourned meeting) and four votes when voted together shall constitute a majority.

6.8.2 After the expiry of the Development Period each director shall be entitled to one vote each at every meeting of the Board (including any adjourned meeting).

6.9 Each director shall be entitled to appoint an alternate director to attend any meeting in his place and shall provide the Board with written notice of such alternate's appointment at least 3 days prior to any meeting of the Board (including any adjourned meeting).

7. **ARTICLE VII: COMPANY POWERS AND RESPONSIBILITIES**

7.1 **Acceptance and Control of Managed Land**

Subject always to Article 3 of the Articles of Association:-

7.1.1 English Partnerships will transfer to the Company and the Company shall accept the Managed Land subject to the provisions contained or referred to in this Declaration provided that any such transfer during the Development Period shall be in accordance with the terms of the Development Agreement.

7.1.2 The Company is responsible for management, operation and control of the Managed Areas, subject to any covenants, easements, or restrictions set forth in the relevant CDT Transfer. The Board may adopt such reasonable rules regulating use of the Managed Areas as it deems appropriate.

7.2 **Managed Land**

The Company shall manage, maintain, operate and control the Managed Land in good repair and in a neat, clean and attractive condition consistent with the Community Standards and the Design Standards. By way of example and not limitation, the Company's responsibility shall include maintaining and operating the Managed Land and the facilities, improvements, and landscaping thereon, including, without limitation, the sustainable urban surface water drainage system, the renewable energy source and provision, the ecology areas, recreational facilities, visitors car parks, play areas, footways, cycleways, accessways, signage and street lights/other lighting thereon.

7.3 **Provision of Services Activities and Programme**

7.3.1 The Company may provide, or provide for services, activities and programmes for all or any of the Class A Members and may enter into contracts or agreements with other entities, including Taylor Wimpey, to provide such services. The Company may charge use or service fees for any such services, or may include the costs, including the cost of personnel employed to facilitate or administer such services, in the Company's budget contributed by the Owners if provided or offered to all Units. If provided or offered to less than all Units, the Company may assess such costs as part of any use of service fee, as applicable.

- 7.3.2 By way of example, such services might include, without limitation, landscape maintenance; cable television service; telephone; internet access; security monitoring; transportation; fire protection; provision of utility services; waste collection and recycling; recreational and social activities or programmes; educational programmes; cultural, artistic and environmental programmes; charter clubs and other similar services, activities or programmes designed to further a sense of community among Owners, residents and occupants within Leybourne Grange.

#### **7.4 Volunteering Activities and Charter Clubs**

- 7.4.1 In recognition of the fact that volunteering activities benefit both Leybourne Grange and the larger community, a Company goal shall be to promote a strong volunteer ethic among members of the community and encourage and facilitate the organisation of volunteer organisations within Leybourne Grange. To accomplish this end, the Company may grant incentives for volunteering, such as exemptions from specific programme fees and public recognition of distinguished volunteers and their achievements. The Company also may cooperate with and support outside organisations, such as recreational or cultural organisations by making facilities available for the organisation's use or sponsoring the organisation's activities. Additionally, the Company may compile and maintain a databank of Owners, tenants, residents or invitees interested in volunteering and make such data available to volunteer organisations.
- 7.4.2 In its sole discretion, the Company may establish or support the establishment of "charter clubs" to encourage or facilitate the gathering of people to pursue common interests or hobbies. A charter shall confer privileges and impose responsibilities on the club and its members. For example, the Company may grant privileges including financial support; material support; facility use privileges, either with or without charge; priority for facility use; administrative and technical support; and liability insurance coverage.
- 7.4.3 The Company may grant charters to any group of individuals who share a particular field of interest. Any Owner may submit a written request to the Company for a charter. In its sole discretion, the Company may grant or deny such request. The Company may fund the charter club as a Company expense and/or require that club members pay use or consumption fees for materials, facilities use, or other club expenses.
- 7.4.4 The Company may use computer bulletin boards, web sites, and publications to assist charter clubs and other community groups, religious groups, civic groups, youth organisations, and support groups in publicising meetings, events and the need for volunteer assistance. However, the Company may not fund the specific advertising or promotion of a charter club's events or another volunteer group's events, unless the Company, in its sole discretion, determines that such events or organisations benefit the entire Community.

#### **7.5 Facilities Open to the Public**

Certain of the common facilities may be opened for public use and enjoyment. Such facilities and areas may include, for example: ecology areas, sensory and medicinal garden, orchards, allotments, recreational facilities, play areas and other areas conducive to gathering and interaction. During the Development Period, Taylor Wimpey may designate such facilities and areas as open to the public. Thereafter, the Company may designate facilities and areas as open for public use.

#### **7.6 Use of Technology**

The Company may, as a Common Expense, provide for or offer services, or cooperate with others in providing services which make use of technological opportunities. For example,

unless otherwise specifically prohibited in the Governance Documents, the Company may send notices invoices and information relating to the Company by electronic means (to the extent that the law permits), sponsor community cable television, create and maintain a community intranet or Internet home page and maintain an "online" newsletter or bulletin board.

## **7.7 Education and Training**

As a Common Expense, the Company may provide educational and training opportunities within Leybourne Grange, including providing funding and permitting facilities use for such purposes. The Company may provide education and training activities as a tool for fostering Owner and resident awareness of Leybourne Grange governance, operations and concerns. Appropriate educational topics include dispute or conflict resolution, issues involving the Governance Documents and benefiting from and contributing to Leybourne Grange as a common interest community. The Company also shall fund and support the education and training required for directors under the Articles.

## **7.8 Biomass Boiler or such alternative as may be provided**

The Company will operate, maintain and manage a biomass boiler or such alternative renewable energy supply equipment which may be installed by Taylor Wimpey pursuant to the Development Agreement. Those Owners whose Units are supplied with hot water and heating by the biomass boiler or such other alternative equipment will pay for its use and operation in accordance with the Initial Leases and Initial Transfers.

## **8. ARTICLE VIII: COMPANY FINANCES**

### **8.1 Obligation for Assessments**

Each Owner covenants and agrees to pay all assessments in accordance with the terms of the Initial Transfer or Initial Lease for their Unit.

### **8.2 Use and Consumption Fees**

The Board may charge use and consumption fees to any Person using Company services or facilities and may determine the amount and method of determining such fees.

### **8.3 Asset Lock**

8.3.1 The Company shall not transfer any of its assets other than for full consideration and subject always to Section 8.3.2.

8.3.2 Provided that the following conditions are satisfied, and subject always to the Company being maintained as a Community Interest Company, any:

- (a) transfer of assets to any Asset Locked Body specified in the Company's Memorandum and Articles of Association shall be permitted;
- (b) transfer of assets made with the consent of the Regulator to any other Asset Locked Body shall be permitted;
- (c) transfer of assets made for the benefit of the community other than by way of a transfer of assets to any other Asset Locked Body shall be permitted.

For the purposes of this Section 8, an "Asset Locked Body" shall mean any Community Interest Company, charity or Scottish Charity or a body established outside Great Britain that is equivalent to any of those persons. The Regulator means the CIC Regulator established under the Community Interest Company Regulations (S.I 2005 No. 1788).

#### 8.4 **Block on Dividends**

The Members shall procure that the Board, nor any director shall declare any dividend or distribution of the profits of the Company whether in cash or in kind.

## **PART FOUR: COMMUNITY DEVELOPMENT**

*Taylor Wimpey and English Partnerships reserve various rights in order to facilitate the smooth and orderly development of Leybourne Grange and to accommodate changes which inevitably occur as a community such as Leybourne Grange grows and matures*

### **9. ARTICLE IX: ADDITIONAL RIGHTS RESERVED TO TAYLOR WIMPEY AND ENGLISH PARTNERSHIPS**

#### **9.1 Right to Use Managed Land for Special Events**

9.1.1 The Company will permit Taylor Wimpey and/or English Partnerships and/or charitable organisations or foundations selected by them to use the Managed Land to sponsor special events for charitable, philanthropic, marketing purposes, subject to the following conditions:-

- (a) the availability of the facilities at the time requested;
- (b) Taylor Wimpey and/or English Partnerships (as the case may be) shall pay all costs and expenses incurred and shall indemnify the Company against any loss or damage resulting from the special event; and
- (c) Taylor Wimpey and/or English Partnerships (as the case may be) shall return to the Company the facilities and personal property used in conjunction with the special event in the same condition as existed prior to the special events.

#### **9.2 Termination of Rights**

Rights referred to in Section 9.1 shall terminate in relation to Taylor Wimpey upon the expiration of the Development Period and in relation to English Partnerships upon the expiration of the EP Period. Thereafter, Taylor Wimpey or English Partnerships may continue to use the Managed Land for the purposes stated in this Article only pursuant to a rental or lease agreement between Taylor Wimpey or English Partnerships and the Company which provides for rental payments based on the fair market rental value of any such portion of the Managed Land. Notwithstanding the above, Taylor Wimpey and English Partnerships reserve for themselves a perpetual, non-exclusive easement of access to and use of the Managed Land in connection with the marketing and sale of other properties in order to show the Community as an example of ongoing projects.

## **PART FIVE: PROPERTY RIGHTS WITHIN THE COMMUNITY**

*The nature of living in a common interest community, with its wide array of properties and development types and its ongoing development activity, requires the creation of special property rights and provisions to address the needs and responsibilities of the Owners, Taylor Wimpey, the Company and others within or adjacent to the Community.*

### **10. ARTICLE X: EASEMENTS**

#### **10.1 Rights over Common Area and Managed Land**

The Owners' rights to use and enjoy the Managed Land will be contained in the Governance Documents but will be subject to the following:-

##### **10.1.1 The Board's right to:-**

- (a) adopt rules regulating use of the Managed Land and charge user fees for such use;
- (b) cause the Owner to suffer the loss of use of any Managed Land for any period during which any assessment or other charge against the Owner's Unit remains in arrear;
- (c) dedicate or transfer all or any part of the Managed Land;
- (d) rent any portion of the Managed Land recreational facilities on an exclusive or non-exclusive short-term basis to any Person;
- (e) permit use by the general public, which use may be subject to admission charges, membership fees, or other user fees established in the Board's discretion.

##### **10.1.2 Any Owner may extend his or her right to use the Managed Land to the members of his or her family, tenants and social invitees, as applicable, subject to reasonable Board regulation.**



## **PART SIX: CHANGES IN THE COMMUNITY**

*Communities such as Leybourne Grange are dynamic and constantly evolving as circumstances, technology, needs and desires, and laws change, as the residents age and change over time, and as the surrounding community changes. Leybourne Grange and its Governance Documents must be able to adapt to these changes while protecting the things that make Leybourne Grange unique.*

### **11. ARTICLE XI: CHANGES IN COMMON AREA**

#### **11.1 Partition**

Except as otherwise permitted, the Managed Areas shall remain undivided, and no Person shall bring any action for partition of any part of the Managed Areas without the written consent of all Owners and Mortgagees. This Section shall not prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring and disposing of real property which may or may not be subject to this Declaration.

#### **11.2 Renewable Energy**

Once responsibility for maintaining and managing the renewable energy provision at Leybourne Grange has been passed to the Company by Taylor Wimpey pursuant to Taylor Wimpey's obligations in the Development Agreement the Company will ensure that such renewable energy is managed and run efficiently. In the event that the energy supply provided by Taylor Wimpey needs to be replaced following the date of this Declaration then the Company shall ensure that an alternative renewable energy supply of at least similar value in terms of renewable energy provision is installed.

**EXECUTED AS A DEED** by the parties on the date which first appears in this deed who acknowledge that they have received a copy of the Declaration and agree to accept and to subscribe to all of the standards provisions and procedures set forth therein and to observe and perform and be bound by them:-

**EXECUTED** as a Deed (but not delivered )  
until dated) by **TAYLOR WIMPEY** )  
**DEVELOPMENTS LIMITED** acting by two )  
Directors/a Director and the Secretary:- )  
)

Director

Director/Secretary

**EXECUTED** as a Deed (but not delivered )  
until dated) by affixing the common seal of the )  
**URBAN REGENERATION AGENCY** in the )  
presence of:- )  
)

Authorised Signatory

**EXECUTED** as a Deed (but not delivered )  
until dated) by **TOWN AND COUNTRY** )  
**HOUSING GROUP** acting by two Directors/a )  
Director and the Secretary:- )  
)

Director

Director/Secretary

**EXHIBIT "A"**

**Leybourne Grange**

All that freehold land on the west side of Birling Road, Leybourne, West Malling registered at the Land Registry under title numbers K809165 and K817158.

## **EXHIBIT "B"**

### **Initial Community Standards**

The purpose of restrictions and rules is not to anticipate all acceptable or unacceptable behaviour in advance and eliminate all activities which fall outside of the "norm". In fact, it is expressly intended that the Board has the discretion to enforce or not enforce technical violations of the Governance Documents, based upon considerations which are consistent with the established guidelines. As such, while something may be permitted for one Unit under one set of circumstances, the same thing may be disapproved for another Unit under a different set of circumstances. The exercise of discretion in enforcing shall not be construed as a waiver of enforcement rights, nor shall it stop the Board from taking enforcement action in any appropriate circumstances.

Subject to the above, the restrictions set out below shall apply to all of Leybourne Grange until such time as amended, modified, repealed, or limited as referred to in Article III of the Declaration, save that nothing herein contained shall apply to restrict Taylor Wimpey's activity, nor shall it restrict the activities of any Person to whom Taylor Wimpey may transfer any land within the Community for development and sale, nor shall it apply to Company activities related to the provision of services or to operating and maintaining the Community, including any recreational and other amenities.

The Initial Community Standards placed on all Owners are (using the definitions contained in the relevant Initial Lease or Initial Transfer):-

1. Not:-
  - 1.1 to make any structural alterations or additions or extension to the Buildings comprised in the Property nor to erect any additional structures whether of a permanent or temporary nature unless plans showing accurately the layout design and elevation have first been submitted for the Management Company's approval (such approval not to be unreasonably withheld or delayed) the application for approval to be accompanied by the reasonable fee set from time to time by the Management Company in respect of such application
  - 1.2 to place exhibit or display on any part of the Property any permanent or temporary advertising hoarding plate sign board, placard or notice of any kind without the prior written consent of the Management Company (such consent not to be unreasonably withheld or delayed) provided no consent is required to be obtained by TCHA in respect of signage that the Owner is obliged to erect in accordance with the requirements of the Housing Corporation
2. Not without prior written approval of the Management Company (such approval not to be unreasonably withheld or delayed) to erect on the Property or the exterior of any Building on the Property any post wires works aerials satellite dishes or apparatus or similar apparatus or installation whatsoever for reception or transmission of radio or television signals or waves save for communal satellite dishes or aerials intended to serve a number of occupiers and which shall be located in discrete location not visible from the frontage of the Property or from any roads, footpaths or Amenity Lands
3. If the Transferor or the Management Company exercises the right to keep the front garden of the Property in a neat and tidy condition following failure by the Owner to comply within a reasonable time with a written notice from the Transferor or the Management Company to do so to pay within 14 days of written demand to the Transferor or the Management Company the proper and reasonable costs properly and reasonably incurred by the Transferor or the Management Company in carrying out such works
4. Not to alter the position of the garden walls and fences erected on the Property by the Transferor and in order to preserve the open plan development of the front and (if applicable) side gardens of the Property not to place or erect any additional garden walls or fences or permit the growth of any hedge or other means of enclosure within the front or (if applicable) side gardens of the Property

5. Not to alter or otherwise change in any way whatsoever the surface appearance or the materials or colour of any external surface of the Property and not to change the exterior colour scheme of the Property except with the prior written consent of the Management Company (such consent not to be unreasonably withheld or delayed)
6. Not to plant any shrub tree or hedging and not to construct any wall or fence or any other structure whatsoever on that part of the visibility splay (if any) included in the Property and marked on the Plan or on any grass verge between the Property and the road serving the Property and to maintain any such visibility splay or grass verge tidily as a grassed area only
7. Prior to the adoption of the Estate Roads by the local authority as highways maintainable at public expense not to construct or create any additional accessway or entrance way in or upon or leading to the Property nor do any other act that will or may tend to hinder delay or prevent such adoption
8. Not to construct or create any gateway or any similar opening affording access from any part of the Property to or onto any other part of the Estate and not to permit the Property to be used for the purposes of an accessway to any adjoining land (other than in relation to any Common Accesses or access onto Estate Roads)
9. Not to use the Property for any purpose other than as one single private dwellinghouse and (without prejudice to the generality of the foregoing) not to carry on any trade business or manufacture nor any immoral trade or business or activity on the Property
10. To observe and perform the Maintenance Charge Covenants
11. To maintain in good repair and condition and when necessary replace and renew the boundary walls or fences along those boundaries marked with an inward "T" mark on the Plan
12. Not to obstruct the Common Access or Visitors Parking Spaces (if any) nor park any vehicles trailers or boats in or upon them or in such a way as would cause an obstruction or nuisance to any other owner on the Estate and not to hinder or interfere with the use of the Common Accesses or Visitors Parking Spaces (if any) by any person or persons lawfully entitled to use them and FURTHER not to undertake upon the Property the Common Accesses or any Visitors Parking Spaces any customising or construction or repairs or maintenance (other than minor running repairs or maintenance) to any vehicle or trailer whatsoever
13. To contribute a proportion (calculated by reference to the number of properties entitled to use the same) of the reasonable and proper cost of cleaning maintaining repairing renewing (where beyond economic repair) and inspecting:
  - 13.1 the Service Installations and
  - 13.2 the Common Accesses if any (including any entrance roof and appurtenant boundary structures save for those shown marked with a "T" on the Plan or which comprise walls of any Buildings) and
  - 13.3 any structures or amenity used in common with any occupiers of the adjoining properties and
  - 13.4 the Visitors Parking Spaces

not included in the Property but which serve the Property
14. To keep in good condition and repair and when beyond economic repair renew and replace so much of the Common Accesses the Visitors Parking Spaces and Service Installations (if any) as are within the Property

15. Not to park any commercial vehicle caravan boat trailer house on wheels or vehicle on the Estate save that a motor car or motorcycle may be parked on or in (as applicable) a car parking space or garage which forms part of the Property pursuant to this Transfer
16. Not to use the Property for any purpose other than as one single private dwellinghouse and (without prejudice to the generality of the foregoing) not to carry on any trade business or manufacture nor any immoral trade business or activity on the Property
17. Within one year from the date of this Transfer to lay out in a proper manner the rear garden of the Property and generally to maintain in good condition and keep properly cultivated neat and tidy the gardens (including all landscaping and planting carried out by the Developer) footpaths and driveway (if any) of the Property
18. Not to damage or remove any tree and/or shrubs or flowers which may have been planted on the Estate
19. Not to affect the damp proof course of or cause damage to the wall of any adjoining Buildings erected along the boundary of the Property by planting trees or shrubs creating a flower bed erecting a trellis constructing a rockery storing garden rubbish or incinerating rubbish against the side walls of any such adjoining Buildings
20. Not to keep any pigeons and doves nor any animals other than usual domestic pets on any part of the Property and not in any event to keep any animal which may cause a nuisance or annoyance to any owner or occupier on the Estate
21. Not to do in or upon the Property any act matter or thing nor grow any shrub tree or hedge which is or may become or grow to become a nuisance or annoyance or disturbance to the Transferor or the owners or occupiers for the time being of any part of the Estate and to maintain the gardens of the Property in a neat and tidy condition and not to allow them to become overgrown.
22. Not to hang washing from the windows of any Buildings on the Property nor to hang out or otherwise display upon or from the Property any washing so as to be visible from the exterior other than within any garden exclusively belonging to the Property
23. Not to sell transfer or dispose of the Property (other than by way of a charge or a short term letting) without contemporaneously procuring that the new owner or owners enter into a Deed of Covenant and not to apply for the registration of any transfer of the Property at the Land Registry until a Deed of Covenant shall have been completed by the transferee and delivered to the Management Company
24. Where the Property includes a garage or parking spaces not to use the same save for the garaging or parking of a private motor vehicle or vehicles or (in the case of a garage) storage of domestic items
25. Not to leave rubbish or refuse on the Property or the Estate other than in proper receptacles provided within the Estate and not to move such receptacles other than to designated collection points to remain there only on the date stipulated by the local authority for the collection of such refuse and rubbish
26. In relation to the Amenity Lands and any Common Accesses or other shared areas of the Estate (together the "Shared Areas"):-
  - 26.1 not to damage or interfere any statues, ornaments, radios, sound recorders or reproducers on the Shared Areas;
  - 26.2 not to play any musical instruments, radios, sound recorders or reproducers on the Shared Areas;

- 26.3 not to play any games on the Shared Areas which may prejudicially interfere with or cause damage or annoyance or nuisance to the owners or occupiers of other properties on the Estate;
- 26.4 not to drive or ride any vehicle within the Shared Areas other than on the roads over which rights are granted in this Transfer (or which are adopted by the relevant authority) and in particular not to drive upon any part of the Estate which is designated at any time as a pedestrian area;
- 26.5 not to store any bicycles, pushchairs, goods or other chattels on the Shared Areas.

**EXHIBIT "C"**

**The Initial Articles of Association of  
Leybourne Grange Management Company Limited**



Company No [REDACTED]

Draft (4): 22/08/07  
SHRM/503792 07162/DJM

The Companies Act 1985

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Company Limited by Guarantee  
and not having a share capital

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Articles of Association

of

Leybourne Grange Management Company Limited (being a Community Interest Company)

Incorporated on [REDACTED]



Pinsent Masons

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## PART 1 : DEFINITIONS AND INTERPRETATION

### 1. DEFINITIONS

In these Articles the following terms shall have the following meanings.

<b>"1985 Act"</b>	the Companies Act 1985
<b>"2004 Act"</b>	the Companies (Audit, Investigations and Community Enterprise) Act 2004
<b>"address"</b>	in relation to electronic communications, includes any number or address used for the purposes of such communications
<b>"Articles"</b>	the Company's Articles of Association, and an "article" shall be construed to mean any relevant article within these Articles
<b>"Asset Locked Body"</b>	a community interest company, Charity or Scottish Charity or a body established outside Great Britain (for the purposes of article 3.2.1, the United Kingdom) that is equivalent to any of those persons
<b>"Charity"</b>	(except in the phrase, "Scottish Charity") the meaning given by Section 96 of the Charities Act 1993
<b>"Chair"</b>	has the meaning given to it in article 29.1
<b>"clear days"</b>	in relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect
<b>"Company"</b>	Leybourne Grange Management Company Limited
<b>"Community Trust Declaration"</b>	means the community trust declaration in relation to the Company and entered into by the Company's Members from time to time a copy of which has been provided to each Member
<b>"Development Period"</b>	has the meaning given to it in the Community Trust Declaration
<b>"Director"</b>	a director of the Company, including any person occupying the position of director, by whatever name called
<b>"Directors' functions"</b>	the meaning given in article 4.1
<b>"electronic communication"</b>	the meaning given in the Electronic Communications Act 2000
<b>"EP Period"</b>	has the meaning given to it in the Community Trust Declaration
<b>"in writing"</b>	written printed or transmitted writing including by electronic communication

<b>"majority decision"</b>	the meaning given in article 11
<b>"Members"</b>	the members of the Company as defined in the 1985 Act
<b>"Memorandum"</b>	the Company's Memorandum of Association
<b>"Regulations"</b>	the Community Interest Company Regulations 2005
<b>"Regulator"</b>	the Regulator of Community Interest Companies
<b>"relevant quorum"</b>	the meaning given in article 14.1
<b>"remuneration"</b>	any reasonable payment or benefit received, or to be received, by a Director or employee of the Company in consideration for that Director's or employee's services to the Company, and any arrangement in connection with the payment of a pension, allowance or gratuity to or in respect of any person who is to be, is, or has been a Director or employee of the Company or any of its predecessors in business
<b>"Scottish Charity"</b>	the meaning given in section 1(7) of the Law Reform (Miscellaneous Provisions) Scotland Act 1990
<b>"Secretary"</b>	the individual appointed as Company Secretary under article 35
<b>"unanimous decision"</b>	the meaning given in article 10.

## 2. INTERPRETATION

### 2.1 Unless the context requires otherwise, words or expressions defined in:-

- 2.1.1 the 1985 Act,
- 2.1.2 the 2004 Act,
- 2.1.3 the Regulations, and
- 2.1.4 the Community Trust Declaration

have the same meaning in these Articles.

### 2.2 Without prejudice to the generality of Article 2.1:-

- 2.2.1 **"community"** is to be construed in accordance with section 35 of the 2004 Act and Part 2 of the Regulations;
- 2.2.2 **"financial year"** has the meaning given in section 223 of the 1985 Act; and
- 2.2.3 **"transfer"** includes every description of disposition, payment, release or distribution and the creation or extinction of an estate or interest in, or right over, any property, or, in Scotland, a right, title or interest in or over any property.

- 2.3 Unless the context requires otherwise, all references to legislative provisions are to the legislation concerned as amended, repealed, re-enacted or replaced and in force from time to time.
- 2.4 Unless the context requires otherwise, words in the singular include the plural and words in the plural include the singular.
- 2.5 All headings and explanatory notes are included for convenience only: they do not form part of the Articles, and shall not be used in the interpretation of the Articles.

## **PART 2: ASSET LOCK**

### **3. TRANSFER OF ASSETS**

- 3.1 The Company shall not transfer any of its assets other than for full consideration.
- 3.2 Provided the condition specified in article 3.1 is satisfied, article 1 shall not apply to:-
- 3.2.1 the transfer of assets to any Asset Locked Body specified in the Memorandum or Articles for the purposes of this Article or (with the consent of the Regulator) to any other Asset Locked Body; and
- 3.2.2 the transfer of assets made for the benefit of the community other than by way of a transfer of assets to an Asset Locked Body.
- 3.3 The condition is that the transfer of assets must comply with any restrictions on the transfer of assets for less than full consideration which may be set out elsewhere in the Memorandum or the Articles.
- 3.4 If:-
- 3.4.1 the Company is wound up under the Insolvency Act 1986; and
- 3.4.2 all its liabilities have been satisfied,
- then any residual assets shall be given or transferred to the specified Asset Locked Body specified in the Memorandum and Articles for the purposes of this Article.

## **PART 3: DIRECTORS' FUNCTIONS**

### **4. DIRECTORS' GENERAL AUTHORITY TO MANAGE THE COMPANY**

- 4.1 The Directors' functions are:-
- 4.1.1 to manage the Company's business; and
- 4.1.2 to exercise all the powers of the Company for any purpose connected with the Company's business.
- 4.2 The Directors may delegate their functions in accordance with the Articles and subject always to the provisions of the Community Trust Declaration.

### **5. LIMITS ON DIRECTORS' FUNCTIONS**

- 5.1 The Members may, by special resolution:
- 5.1.1 alter the scope of the Directors' functions; or
- 5.1.2 require the Directors to act in a specified manner.
- 5.2 No special resolution passed under article 5.1.2 shall have retrospective effect.

## **6. DIRECTORS' GENERAL AUTHORITY TO DELEGATE FUNCTIONS**

- 6.1 Subject to the Articles and to the Community Trust Declaration, the Directors may delegate any of their functions to any person they think fit.
- 6.2 The Directors must not delegate to any person who is not a Director any decision connected with:-
- 6.2.1 the taking of decisions by Directors; or
  - 6.2.2 the appointment of a Director or the termination of a Director's appointment.
- 6.3 Any delegation under paragraph 6.1 may authorise further delegation of the Directors' functions by any person to whom they are delegated.

## **7. COMMITTEES OF DIRECTORS**

- 7.1 Two or more Directors are a "committee" if the Directors have:-
- 7.1.1 delegated any of the Directors' functions to them; and
  - 7.1.2 indicated that they should act together in relation to that function.
- 7.2 The provisions of the Articles about how these Directors take decisions shall apply, as far as possible, to the taking of decisions by committees.

## **PART 4 : DECISION-MAKING BY DIRECTORS**

### **8. SCOPE OF RULES**

- 8.1 References in the Articles to decisions of Directors are to decisions of Directors which are connected with their functions.
- 8.2 Except where the Articles expressly provide otherwise, provisions of the Articles about how the Directors take decisions do not apply:-
- 8.2.1 when the Company only has one Director; or
  - 8.2.2 to decisions delegated to a single Director.

### **9. PROCEEDINGS OF DIRECTORS**

- 9.1 Subject to the provisions of these Articles and the Community Trust Declaration, the Directors may regulate their proceedings as they think fit. A Director may, and the secretary at the request of a Director shall, call a meeting of the Directors. Subject to article 11.2 every Director shall receive notice of a meeting whether or not he is absent from the United Kingdom. A Director may waive the requirement that notice be given to him of a board meeting, either prospectively or retrospectively.
- 9.2 Any decision which the Directors take at a meeting of the Board of Directors shall be decided by a majority of votes unless these Articles or the Community Trust Declaration expressly states otherwise.
- 9.3 If, at any meeting of the Directors, there is an equality of votes then the chairman shall not have a second or casting vote. Such decision shall instead be referred to the Members by way of a duly convened extraordinary general meeting and shall be subject to the Members' approval.
- 9.4 A Director or his alternate Director, may participate in a meeting of the Directors or a committee of directors through the medium of conference telephone or similar form of communication equipment if all persons participating in the meeting are able to hear and speak to each other throughout the

meeting. A person participating in this way is deemed to be present in person at the meeting and is counted in a quorum and entitled to vote. Subject to the 1985 Act, all business transacted in this way by the Directors or a committee of Directors is, for the purposes of these Articles, deemed to be validly and effectively transacted at a meeting of the Directors or of a committee of Directors although fewer than two Directors or alternate Directors are physically present at the same place. The meeting is deemed to take place where the largest group of those participating are assembled or, if there is no such group, where the chairman of the meeting then is.

- 9.5 The Directors may appoint one of their number to be the chairman of the Board of Directors and may at any time remove him from that office. Unless he is willing to do so, the Director so present shall preside at every meeting of the Directors at which he is present. But if there is no Director holding that office, or if the Director holding it is unwilling to preside or is not present within five (5) minutes after the time appointed for the meeting, the Directors present may appoint one of their number to be chairman of the meeting.

## 10. **UNANIMOUS DECISIONS**

- 10.1 The Directors take a unanimous decision when they all indicate to each other that they share a common view on a matter.
- 10.2 A unanimous decision need not be taken at a meeting of Directors, or involve any discussion between Directors. A resolution in writing signed by all the Directors entitled to receive notice of a meeting of Directors or of a committee of Directors shall be valid and effective as if it had been passed at a meeting of Directors or (as the case may be) a committee of Directors duly convened and held and may consist of several documents in the like form each signed by one or more Directors, but a resolution signed by an alternate Director need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate Director, it need not be signed by the alternate Director in that capacity.

## 11. **MAJORITY DECISIONS**

- 11.1 The Directors take a majority decision if:-
- 11.1.1 every Director has been made aware of a matter to be decided by the Directors;
  - 11.1.2 all the Directors who indicate that they wish to discuss or vote on the matter have had a reasonable opportunity to communicate their views on it to each other; and
  - 11.1.3 a majority of the votes cast by the Directors are in favour of a particular conclusion on that matter at a meeting of Directors.
- 11.2 Article 11.1.1 does not require communication with any Director with whom it is not practicable to communicate, having regard to the urgency and importance of the matter to be decided.

## 12. **CONFLICTS OF INTEREST**

- 12.1 In this article, a "relevant interest" is:-
- 12.1.1 any interest which a Director has in; or
  - 12.1.2 any duty which a Director owes to a person other than the Company in respect of, an actual or proposed transaction or arrangement with the Company.
- 12.2 For the purposes of article 12.1.1, a Director shall be deemed to have an interest in a transaction or arrangement if:-
- 12.2.1 the Director or any partner or other close relative of the Director has an actual or potential financial interest in that transaction or arrangement;



- 12.2.2 any person specified in article 12.2.1 is a partner in a firm or limited partnership, or a director of or a substantial shareholder in any Company, which has an actual or potential commercial interest in that transaction or arrangement; or
- 12.2.3 any other person who is deemed to be connected with that Director for the purposes of section 317 of the 1985 Act has a personal interest in that transaction or arrangement.
- 12.3 Subject to article 12.6.2, a Director who has a relevant interest must disclose the nature and extent of that interest to the other Directors.
- 12.4 Subject to the 1985 Act a Director may vote in matters in which he has an interest.
- 12.5 Subject to the 1985 Act, if a Director complies with article 12.3:-
  - 12.5.1 that Director:-
    - (a) may be a party to, or otherwise interested in, the transaction or arrangement in which that Director has a relevant interest; and
    - (b) shall not, by reason of being a Director, be accountable to the Company for any benefit derived from that transaction or arrangement; and
  - 12.5.2 the transaction or arrangement in which that Director has a relevant interest shall not be liable to be treated as void as a result of that interest.
- 12.6 For the purposes of article 12.3:-
  - 12.6.1 a general notice given to the Directors that a Director is to be regarded as having a specified interest in any transaction or arrangement shall be deemed to be a disclosure that the Director has an interest in any such transaction or arrangement of the nature and extent so specified; and
  - 12.6.2 any interest of which a Director has no knowledge, and could not reasonably be expected to have knowledge, shall be disregarded.
- 13. **RECORDS TO BE KEPT**
- 13.1 The Directors are responsible for ensuring that the Company keeps a record in writing, of: -
  - 13.1.1 every unanimous or majority decision taken by the Directors; and
  - 13.1.2 every declaration by a Director of an interest in an actual or proposed transaction with the Company.
- 13.2 Any record kept under article 13.1 must be kept:-
  - 13.2.1 for at least ten years from the date of the decision or declaration recorded in it;
  - 13.2.2 together with other such records; and
  - 13.2.3 in such a way that it is easy to distinguish such records from the Company's other records.
- 14. **SPECIFIED NUMBER OF DIRECTORS FOR MAJORITY DECISIONS**
- 14.1 No majority decision shall be taken at a meeting of Directors unless a quorum is present in accordance with Section 6 of the Community Trust Declaration (the "relevant quorum") to participate in the meeting and are entitled to vote on the matter on which a majority decision is to be taken.

**15. DIRECTORS' DISCRETION TO MAKE FURTHER RULES**

15.1 Subject to these Articles and the Community Trust Declaration, the Directors may make any rule which they think fit about how they take decisions.

15.2 The Directors must ensure that any rule which they make about how they take decisions is communicated to all persons who are Directors and, where appropriate, is approved by the Members in accordance with the Community Trust Declaration while that rule remains in force.

**16. DEFECT IN APPOINTMENT**

16.1 This article applies if:-

16.1.1 a decision is taken by the Directors, or a committee of the Directors, or a person acting as a Director; and

16.1.2 it is subsequently discovered that a person who, acting as a Director, took, or participated in taking, that decision:-

(a) was not validly appointed as a Director;

(b) had ceased to hold office as a Director at the time of the decision;

(c) was not entitled to take that decision; or

(d) should, in consequence of a conflict of interests, not have voted in the process by which that decision was taken.

16.2 Where this article applies:-

16.2.1 the discovery of any defect of the kind specified in article 16.1.2 shall not invalidate any decision which has been taken by, or with the participation of, the person in relation to whom that defect existed; and

16.2.2 any such decision shall be as valid as if no such defect existed in relation to any person who took it or participated in taking it.

**PART 5 : DIRECTORS' APPOINTMENT AND TERMS OF SERVICE**

**17. MINIMUM NUMBER OF DIRECTORS**

The number of Directors shall not be less than the number prescribed in respect of the Development Period and the EP Period (as each term is defined in the Community Trust Declaration) in the Community Trust Declaration and in the period after the EP Period shall not be less than 5.

**18. ELIGIBILITY TO BE A DIRECTOR**

18.1 A person shall not be a Director unless that person:-

18.1.1 is willing to serve as a Director and has attained the age of 18 years; and

18.1.2 is elected or appointed as a Director in accordance with the Articles.

18.2 No person shall be elected or appointed as a Director in circumstances which, if that person had already been a Director, would have resulted in that person ceasing to be a Director under the Articles.

18.3 No Director shall be a corporate body (whether a company or partnership or firm).

- 18.4 Upon any resignation, dismissal or termination of appointment of a Director, the relevant Member responsible for appointment of that Director shall, in accordance with the Community Trust Declaration, ensure that a new Director is appointed in replacement thereof.

**19. METHODS OF APPOINTING DIRECTORS**

- 19.1 The first Directors shall be the persons named in the Form 10 upon incorporation.
- 19.2 Thereafter, Directors may be appointed by nomination of the respective Members of the Company in accordance with the Community Trust Declaration decision of the Directors provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with the Articles as the maximum number of Directors.

**20. TERMINATION OF DIRECTORS' APPOINTMENT**

- 20.1 A person shall cease to be a Director if:-
- 20.1.1 that person ceases to be a Director by virtue of any provision of the 1985 Act, or is prohibited by law from being a Director;
  - 20.1.2 any notice to the Company that that person is resigning or retiring from office as Director takes effect (except that where such resignation or retirement would otherwise lead to the Company having fewer than two Directors, it shall not take effect until sufficient replacement Directors have been appointed);
  - 20.1.3 a contract under which that person is appointed as a Director of, or personally performs services for, the Company and the Directors decide that that person should cease to be a Director.

**21. DIRECTORS' REMUNERATION AND OTHER TERMS OF SERVICE**

- 21.1 Subject to the 1985 Act, and the Articles, the Company satisfying the community interest test, the terms (including as to remuneration) on which a Director is to perform Directors' functions, or otherwise perform any service for the Company shall be subject to the unanimous approval of the Members.

**22. DIRECTORS' EXPENSES**

- 22.1 The Company may meet all reasonable expenses which the Directors properly incur in connection with:-
- 22.1.1 the exercise of their functions; or
  - 22.1.2 the performance of any other duty which they owe to, or service which they perform for, the Company or any of its subsidiaries.

**PART 6 : MEMBERS**

**23. APPOINTMENT OF MEMBERS**

- 23.1 The subscribers to the Memorandum are the first Members of the Company.
- 23.2 Such other persons as agree to become Members of the Company and, subject to such person having executed a Deed of Adherence and/or Deed of Covenant (as defined in the Community Trust Declaration), whose names are entered in the register of Members, and who are admitted to membership in accordance with the Articles, shall be Members of the Company.
- 23.3 No person shall be admitted as a Member of the Company unless he, she or it is approved by the Directors.

**24. TRANSFER AND TERMINATION OF MEMBERSHIP**

24.1 Membership is not transferable to anyone else.

24.2 Membership is terminated if:-

24.2.1 the Member (if a person) dies or (if a body corporate, firm or partnership) ceases to exist, becomes insolvent or bankrupt; or

24.2.2 otherwise in accordance with the Articles and/or the Community Trust Declaration.

**PART 7 : GENERAL MEETINGS (MEETINGS OF MEMBERS)**

**25. ANNUAL GENERAL MEETING**

25.1 The Company shall hold an annual general meeting:-

25.1.1 within 18 months of the Company's date of incorporation and afterwards once in each calendar year (provided that not more than 15 months shall elapse between the date of one annual general meeting of the Company and that of the next); and

25.1.2 at such date, time and place as the Directors shall determine.

**26. OTHER GENERAL MEETINGS**

26.1 The Directors may decide to call an extraordinary general meeting at any time.

26.2 The Directors shall call a general meeting on receiving a requisition to that effect in accordance with the 1985 Act or as required by the Community Trust Declaration.

**27. NOTICE**

27.1 Notice of general meetings shall be given to every Member, the Directors and the Company's auditors (if any).

27.2 All general meetings shall be called by at least 21 clear days' notice in writing.

27.3 Every notice calling a general meeting shall specify:-

27.3.1 the place, date and time of the meeting; and

27.3.2 the general nature of the business to be transacted.

27.4 In the case of an annual general meeting, the notice shall specify that the meeting is an annual general meeting.

27.5 If a special resolution is to be proposed, the notice shall contain a statement to that effect and set out the text of the special resolution.

**28. QUORUM**

28.1 No business shall be transacted at any meeting unless a quorum is present.

28.2 During the Development Period, the quorum for a general meeting shall constitute the presence of the Class B Member, the Class C Member and the Class D Member present in person (or, in the case of a corporate Member, by its duly appointed representative) and entitled to vote on the business to be transacted.

- 28.3 Upon expiry of the Development Period, there shall no longer be a Class B Member in the Company, and for the purposes of this article 28 such date shall constitute the commencement of the EP Period. During the EP Period, the quorum for a general meeting shall constitute the presence of the Class C Member, the Class D Member and no less than 10% of the then current Class A Members (if any) present in person (or, in the case of a corporate Member, by its duly appointed representative) and entitled to vote on the business to be transacted.
- 28.4 Upon expiry of the EP Period, there shall no longer be a Class C Member. From that date onwards, the quorum for a general meeting shall constitute the presence of the Class D Member and no less than 10% of the then current Class A Members (if any) present in person (or, in the case of a corporate Member, by its duly appointed representative) and entitled to vote on the business to be transacted.
- 28.5 If a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall stand adjourned for a minimum of seven days until such time as the Directors determine.

## **29. CONDUCT OF BUSINESS – GENERAL**

- 29.1 The Chair shall be a Director in the Company appointed by Members' ordinary resolution. The Chair shall preside as chair of all general meetings. If the Chair is absent from any general meeting, the Members shall appoint (by ordinary resolution) some other Director, or (if no Director willing to preside is present) Member to preside.
- 29.2 The Chair:-
- 29.2.1 may adjourn the meeting from time to time and from place to place, with the consent of a meeting at which a quorum is present; and
- 29.2.2 shall do so if so directed by the meeting or in accordance with the Articles.
- 29.3 No business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place.
- 29.4 When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
- 29.5 Except as required by law, all decisions of the Members at a general meeting shall be made by ordinary resolution.

## **30. VOTING PROCEDURES**

- 30.1 Every Member present in person or by proxy (or, in the case of a corporate Member, by its duly authorised representative) shall have one vote.
- 30.2 A person who is not a Member shall not have any right to vote at a general meeting of the Company (except as the proxy or (in the case of a corporate Member) duly authorised representative of a Member).
- 30.3 Articles 30.1 and 30.2 are without prejudice to any right to vote on a resolution affecting the rights attached to a class of the Company's debentures.
- 30.4 A declaration by the Chair that a resolution has been:-
- 30.4.1 carried;
- 30.4.2 carried unanimously, or by a particular majority;
- 30.4.3 lost; or

30.4.4 not carried by a particular majority, and

an entry to that effect in the minutes of the meeting, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

30.5 The Chair shall have no casting vote.

30.6 The proceedings at any general meeting shall not be invalidated by reason of any accidental informality or irregularity (including with regard to the giving of notice) or any want of qualification in any of the persons present or voting.

30.7 No objection shall be raised to the qualification of any voter except at the general meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the Chair whose decision shall be final and binding.

## 31. **MINUTES**

31.1 The Directors shall cause minutes to be made and kept in writing of all proceedings at general meetings of the Company.

31.2 Any such minute, if purported to be signed by the chair of the meeting, or by the chair of the next succeeding general meeting, shall be sufficient evidence of the proceedings.

## **PART 8 : MISCELLANEOUS**

### 32. **COMPANY SECRETARY**

32.1 Subject to the provisions of the 1985 Act, the Directors shall appoint an individual to act as Company Secretary for such term and at such remuneration and upon such other conditions as they may think fit.

32.2 The Directors may decide to remove a person from the office of Secretary at any time.

### 33. **COMPANY SEAL**

33.1 This article applies if the Company has a seal (the "**Common Seal**").

33.2 The Common Seal shall only be applied to a document if its use on that document has been authorised by a decision of the Directors.

33.3 If the Common Seal is applied to a document, the document shall be:-

33.3.1 signed by an authorised person; and

33.3.2 countersigned by another authorised person.

33.4 For the purposes of this article, an authorised person is:-

33.4.1 any Director;

33.4.2 the Secretary; or

33.4.3 any person authorised by the Directors for the purpose of signing and countersigning documents to which the common seal is applied.

**34. ACCOUNTS AND REPORTS**

- 34.1 The Directors shall comply with the requirements of the 1985 Act and any other applicable law as to keeping financial records, the audit or examinations of accounts and the preparation and transmission to the Registrar of Companies of annual reports and accounts.
- 34.2 Subject to article 34.3, the Company's statutory books and accounting records shall be open to inspection by the Members during usual business hours.
- 34.3 The Company may in general meeting impose reasonable restrictions as to the time at which and the manner in which the statutory books and accounting records of the Company may be inspected by Members.

**35. NOTICES**

- 35.1 Except where the Articles provide otherwise, any notice to be given to or by any person under the Articles shall be in writing to an address for the time being notified for that purpose to the person giving the notice.
- 35.2 The Company may give any notice to any person under the Articles:-
- 35.2.1 in person;
  - 35.2.2 by sending it by post in a prepaid envelope addressed to that person at that person's registered address, or by leaving it at that address;
  - 35.2.3 by fax or by electronic communication to an address provided for that purpose; or
  - 35.2.4 by posting it on a website, where the recipient has been notified of such posting in a manner agreed by that person.
- 35.3 A person present at any meeting shall be deemed to have received notice of the meeting and, where requisite, of the purpose for which it was called.
- 35.4 Proof that:-
- 35.4.1 an envelope containing a notice was properly addressed, prepaid and posted; or
  - 35.4.2 that an electronic communication or fax has been transmitted to the correct address or number,
- shall be conclusive evidence that the notice was given.
- 35.5 A notice shall, unless the contrary is proved, be deemed to be given:-
- 35.5.1 at the expiration of 48 hours after the envelope containing it was posted; or
  - 35.5.2 in the case of a notice contained in an electronic communication or fax, at the expiration of 48 hours after the time it was transmitted.
- 36. INDEMNITY**
- 36.1 Subject to the 1985 Act, a Director shall be indemnified out of the Company's assets against any expenses which that Director incurs:-
- 36.1.1 in defending civil proceedings in relation to the affairs of the Company (unless judgement is given against the Director and the judgement is final);

- 36.1.2 in defending criminal proceedings in relation to the affairs of the Company (unless the Director is convicted and the conviction is final);
- 36.1.3 in connection with any application for relief from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company (unless the Court refused to grant the Director relief, and the refusal is final).
- 36.2 Judgement, conviction or refusal of relief becomes final if the period for bringing an appeal or any further appeal has ended and any appeal brought is determined, abandoned or otherwise ceases to have effect.
- 36.3 This article is without prejudice to any other indemnity to which a Director may be entitled.



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**Names, Addresses and Signatures of Subscribers**

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1.      Signature:

         Name:

         Address:

         Date:

         Witness to the above signature:

         Signature:

         Name:

         Address:

2.      Signature:

         Name:

         Address:

         Date:

         Witness to the above signature:

         Signature:

         Name:

         Address:

## EXHIBIT "D"

### Deed of Adherence

THIS Deed of Adherence is made the \_\_\_\_\_ day of \_\_\_\_\_ 20[ ] by [ ] of [ ] (the "Initial Owner").

1. Under the terms of a transfer dated [ ] (the "Transfer") and entered into between (1) the Urban Regeneration Agency (2) Taylor Wimpey Developments Limited (3) Leybourne Grange Management Company (the "Company") and (4) the Initial Owner, the Initial Owner has agreed to buy unit [ ] of Leybourne Grange and to subscribe to be a Member of the Company.
2. Expressions defined in the Community Trust Declaration ("the Declaration") shall (unless the context otherwise requires) have the same meaning when used in this Deed.
3. The Initial Owner hereby undertakes to and covenants with all the Members of the Company (including any persons who have become parties thereto by deeds of adherence) to comply with the provisions of and to perform all the obligations in the Declaration and the Governance Documents on the part of the Initial Owner as may be in force from time to time.
4. The Initial Owner hereby acknowledges that it has received and read the Declaration and assumes the rights and obligations referred to above on the basis of the exceptions and reservations contained therein.

Executed as a deed this \_\_\_\_\_ day of \_\_\_\_\_ 200[ ]

Executed as a deed by \_\_\_\_\_ )  
\_\_\_\_\_ )  
in the presence of: \_\_\_\_\_ )

Witness Signature

Name

Address

Occupation

## EXHIBIT "E"

### Deed of Covenant

THIS DEED OF COVENANT is made the                      day of  
BETWEEN (1)    of    ("the Transferee") and (2) Leybourne Grange Management Limited whose registered office is situate at ("the Company")

#### WHEREAS

(1) By a Transfer dated    ("the Original Transfer") The Urban Regeneration Agency carrying on business as English Partnerships transferred to [REDACTED] ("the Original Purchaser") the freehold land and dwelling known as [REDACTED] ("the Premises") and the Original Transfer contained a covenant on the part of the Original Purchaser for himself and his successors in title not to sell transfer or dispose of the Premises without contemporaneously procuring that the new owner or owners thereof enters into a Deed of Covenant in the form of these presents (mutatis mutandis)

(2) The freehold interest in the Premises is presently vested in the names of    and is registered at the Land Registry under title number   

(3) The Transferee has contracted with the said [REDACTED] for the purchase of the freehold interest in the Premises

#### OPERATIVE PROVISIONS

1. The Transferee hereby covenants with the Company as follows:-

1.1 To observe and perform all the covenants and stipulations on the part of the Original Transferee contained in sections 6 and 7 in the Original Transfer

1.2 On any sale or transfer of the freehold of the Premises to procure that the new owner or owners thereof enters into a Deed of Covenant in the form of the Deed of Covenant set out in Schedule 6 of the Original Transfer (mutatis mutandis) and the Transferee hereby applies for a restriction to be registered at the Land Registry in the following terms:-

"No sale of the freehold of the Registered Estate is to be registered without a certificate by the solicitor to the transferee that the transferee has complied with the provisions of paragraph 5.18.1 of the transfer dated    referred to in the Charges Register"

2. The Transferee hereby confirms that it has agreed to buy the Property and acknowledges it has received and read the CDT Declaration and undertakes to and covenants with all the Members of the Company (including any persons who have become parties thereto by deeds of adherence and/or deeds of covenant) to comply with the provisions of and to perform all the obligations in the CDT Declaration and the Governance Documents (defined in the CDT Declaration) as may be in force from time to time

3. In this deed where the context so admits:-

3.1 Words importing the singular number only include the plural number and vice versa words importing the masculine gender only include the feminine gender and reference to "the Company" and "the Transferee" shall include their respective successors in title

3.2 Where three are two or more persons included in the expression "the Transferee" covenants expressed to be made by the Transferee shall be deemed to be made by such persons jointly and severally

This document is executed as a deed and is delivered on the date stated at the beginning of this deed

**EXHIBIT "F"**

**Business Plan**

# **Leybourne Grange**

## **CDT Business Plan**

The following report gives an overview of the business plan for the Leybourne Grange Community Development Trust and concludes with a 10 year financial business model. The following areas are covered in this report:

1. CDT Manager
2. Landscape management strategy
3. Income cost assumptions
4. Direct cost assumptions
5. Overhead cost assumptions
6. 10 year business plan

## **1. CDT Manager**

An essential ingredient for the success of the CDT will be the appointment of the CDT Manager. The role of this manager will be to act as an interface between the Board and community. The CDT Manager's responsibilities will include: implementation of policy; management, maintenance and repair of community spaces and assets and to maximise income opportunities. The CDT Manager will be the welcoming face of the CDT and will often be the first point of contact for residents. It is envisaged that the CDT Manager will be employed part time for the first year becoming a full time employee after this period. The CDT Manager will report to the Board and will attend Board meetings but will not be a Board Member.

Given the diverse nature of the role selection of an appropriate CDT Manager will be paramount to the success of the CDT. A thorough selection process will be undertaken and will involve the following stages:

- a. Analysis and confirmation of job description
- b. Placement of job advertisement in appropriate papers/journals
- c. Possible appointment of head hunter to source appropriate personnel
- d. Review of applicants
- e. List of possible applicants drawn up
- f. First round of interviews (by panel)
- g. Short list from first interview stage produced
- h. Final interview (by panel)
- i. Selection made and offer put forward
- j. References taken up
- k. Appointment made

The CDT Manager will need to have a range of skills including project management, communication skills, negotiation skills and business management skills. Appropriate people could include ex-military personnel, project managers, landscape managers, events coordinators and management company personnel.

## **2. Landscape Management Strategy**

The following provides a broad management strategy that will be followed to encourage the early establishment of the landscape within the master plan and provide long-term ongoing management. This is a broad management plan based on the attached landscape management areas plan and will be updated once detailed plans are produced.

### **a. Parkland (20.9ha)**

- An arboricultural consultant will assess the condition of the mature trees. Any trees dead, dying, dangerous or diseased will be felled including any TPO trees once approval from the Local Authority has been sought
- Annual inspection and maintenance of the existing and newly planted trees will be undertaken by a suitably qualified tree surgeon. Tree surgery works to be done during the winter. All tree debris will be removed from site

- New trees will be planted to replace any trees removed
- Ensure the amenity grass is maintained as a low sward not exceeding 75mm high
- Reseeding of grassland will take place as necessary during the next planting season
- Cut wildflower meadow biannually, in spring and after seed has set in late July/August to 400mm. Remove all arisings.
- During the period between March and November mow grass walkways to a height of 25mm every 2 weeks.

#### *NEAP & LEAPs*

- Inspect the play areas once a year for damage and ensure that any surface is repaired, equipment replaced and fencing is repaired or replaced
- Repair any non-functioning piece of equipment within 2 weeks of being reported
- Replace any dead, dying, dangerous or diseased trees and any shrub planting that has died.

#### *Trim Trail*

- The trim trail equipment will be inspected once a year and reported
- Any non-functioning or damaged pieces of trim trail equipment will be repaired or replaced within 2 weeks of being reported
- The trim trail will be inspected once a year and maintained to be kept clear of debris/scrub
- Keep surfaces weed-free and renew bark chippings around trim trail equipment once a year to ensure a full depth is maintained.

#### *b. Arboretum (5.8ha)*

- An arboricultural consultant will assess the condition of the mature trees. Any trees dead, dying, dangerous or diseased will be felled including any TPO trees once approval from the Local Authority has been sought
- Annual inspection and maintenance of the existing and newly planted trees will be undertaken by a suitably qualified tree surgeon. Tree surgery works to be done during the winter. All tree debris will be removed from site
- New trees will be planted to replace any trees removed
- Ensure the amenity grass is maintained as a low sward not exceeding 75mm high
- Reseeding of grassland will take place as necessary during the next planting season
- Cut wildflower meadow biannually, in spring and after seed has set in late July/August to 400mm. Remove all arisings
- During the period between March and November mow grass walkways to a height of 25mm every 2 weeks
- Inspect the lake once a year and maintain lake by clearing debris and excess vegetation when necessary
- Inspect signs and replace or repair any lost or damaged tree labels.

#### *c. Orchard (2ha)*

- Inspect trees on an annual basis
- Remove any trees that are dead, dying, dangerous or diseased and any that are too old to crop and remove from site
- Replace any felled trees with new planting
- Undertake tree surgery and pruning in winter, between November and March. Cut out all deadwood and diseased branches. Remove badly positioned branches particularly crossing branches and branches so low that they may trail on the ground when bearing fruit. Also cut out any poor new wood in favour of good to form a balanced open centre tree
- Mow grass beneath trees ensuring it is maintained as a low sward not exceeding 75mm high.

d. Walled Garden (0.5ha)

- Inspect the wall and any other structures including trellis, fencing, furniture, the lean-to and the glass house once a year and repair any damage within 4 weeks of reporting (note wall is listed structure and any repair work will need prior approval of LPA)
- Maintain the low box hedges by cutting twice a year in the spring and autumn to maintain a neat manicured appearance
- Replace any dead, dying, diseased plants as necessary
- Maintain any trees, shrubs and herbaceous plants as per their specific species requirements
- Inspect walkways once a year and repair any damage within 2 weeks of reporting
- Water plants as required from rainwater harvesting tanks, minimising the need for mains water
- Use on site compost as fertiliser for the planting
- Stake herbaceous plants in the spring (species specific)
- Keep weed free and implement a pest and virus control programme if necessary
- Clear litter and remove from site
- Remove all fallen leaves between November and January and use in the composting area

e. Formal Recreation (6.2ha)

(Note at this time we have assumed grass pitches)

- Monitor once a week for damage to ensure that any damage is reported
- Repair any damage to sports pitches within 2 weeks of being reported
- Football pitches to be maintained to achieve a healthy low sward not exceeding 25-50mm
- Repair of wear and tear to pitches to be undertaken throughout the year
- Repair or replace any damaged fencing and gates.

f. Existing Woodland (12.5ha)

- An arboricultural consultant will assess the condition of the mature trees. Any trees dead, dying, dangerous or diseased will be felled including any TPO trees once approval from the Local Authority has been sought
- Annual inspection and maintenance of the existing and newly planted trees will be undertaken by a suitably qualified tree surgeon. Tree surgery works to be done during the winter. All tree debris will be left in situ as discrete log piles to decompose
- Selective felling will be undertaken to maintain a diverse woodland structure
- Glades will be created approximately 7m x 7m by thinning canopy trees (retain 1 in 3), cutting understorey species at ground level and removing 2/3rds of any bramble scrub once a year
- Maintain a diverse woodland flora through selective understorey thinning by felling 5 groups of 3 trees/bushes once per year
- Eradicate any unwanted species by clear felling and removal of arisings. Check every two years for re-growth
- New trees will be planted to replace any trees removed where considered necessary
- Check footpaths once a year to ensure they can be accessed and that they are in good condition. Maintain footpaths and clear vegetation from the footpaths
- Check the condition of fences and stiles once a year and replace or repair where necessary.

g. New Woodland including Noise Bund (8.2ha)

- Trees will be inspected once a year and any trees that have failed to establish will be replaced with trees of the same species and size
- Tree guards/shelters will be checked once a year and adjusted, re-fixed or replaced as necessary. Remove any redundant guards/shelters once the trees have established



- Trees should be checked to ensure that they are firmly bedded after strong winds, frost heave and other disturbances. Re-firm by treading around the base
- Tree stakes and ties will be checked once a year and adjusted, re-fixed or replaced as necessary. Remove any redundant stakes and ties once the trees have established
- Prune during the winter by a suitably qualified tree surgeon in line with good arboricultural practice
- Remove any dead plant material from site
- Maintain a weed free zone around each new tree ensuring that the methods do not cause any damage to the trees.

#### h. Short Term Rotation Coppice (Miscanthus) (11.5ha)

- Crops are to be planted in the spring
- After year three in the winter the crops will be harvested
- The crops will require general farm maintenance to establish, including herbicide, fungicide etc.

#### i. Allotments (0.4ha)

- Inspect the allotments once month to ensure that any damage to fencing, walls or footpaths is reported
- Repair any damage within 2 weeks of being reported.

#### j. Development Area

- Lines of mature trees will be maintained to ensure long-term health and future of these trees. An arboricultural consultant will assess the condition of the mature trees. Any trees dead, dying, dangerous or diseased will be felled including any TPO trees once approval from the Local Authority has been sought
- Annual inspection and maintenance of the existing and newly planted trees will be undertaken by a suitably qualified tree surgeon. Tree surgery works to be done during the winter. All tree debris will be removed from site
- Hard surfaced footpaths and cycleways will be inspected and maintained in a safe condition. Any hoggin surfaced paths will be maintained with new hoggin to ensure a full depth is maintained and that any holes or uneven surface is removed. Bound gravel paths and tarmac will be inspected annually and any repairs made within 4 weeks of being reported
- LAPs within the development will be inspected once a year to ensure that fencing, surfaces and equipment are safe and any damage will be repaired or replaced as necessary (note the number of LAPs required will be agreed with the planning authority at detailed design stage)
- Any formal shrub or herbaceous planting will be maintained according to species
- Gravel and bark mulch areas will be maintained, raked to remove leaves and other debris and kept free from weeds. Annually new bark chips or gravel will be laid to ensure a full depth is maintained
- Formal lawns will be mown to maintain a height of grass between 20 and 25mm. Cut when necessary using rotary mower or cylinder mower and remove arisings from site
- Amenity grass areas will be maintained at a height of grass between 20 and 40mm during April to November inclusive and between 25 and 45mm during December to March inclusive. Cut when necessary using rotary mower or cylinder mower and remove arisings from site
- Rough grassed areas will be maintained at a height of grass between 75 and 150mm. Cut when necessary using appropriate machinery and remove arisings from site
- Once hedges have reached desired height trim back twice a year during the spring and autumn to maintain required shape and size. Remove arisings from site
- Formative pruning of young trees particularly street trees will be undertaken during the winter by a suitable qualified tree surgeon. Street trees may require crown lifting over roads and parking areas.

Note: Footpaths / cycleways location and length to be determined as part of detailed design process. Some existing footpaths may be adopted and therefore will not form part of the CDT responsibility.

### 3. Income Assumptions

#### a. Residents Service Charge

A service charge of 24p per sqft is suggested for all units. Once the site is fully developed this will generate an income of £166,400.

#### b. Generated Income

The generated income will come from the playing fields, community hall and allotments.

##### i. Playing Fields

- Assumed football season is for 7 months (28 weeks), with training over 8 months (32 weeks).
- Income is derived from hire of pitches for matches and for training.
- Assumed one adult team and one junior team will use the facility.
- Assumed adult team to be responsible for cleaning pavilion on weekly basis (voluntary).
- Assumed one off annual fee will be charged to each team to recover cost of heating/lighting/electricity/building maintenance.
- Assume initial year on year rise in income from Y1 getting up to this annual income by Y5.

	income pa	when incurred	comment
adult training use	£640	every year from Y5	assume £10 per session, 2 nights per week
adult match use	£280	every year from Y5	assume £20 per session, alternate weeks in season
junior training use	£160	every year from Y5	assume £5 per session, 1 night per week
junior match use	£140	every year from Y5	assume £10 per session, alternate weeks in season
<b>TOTAL , £ pa</b>	<b>£1,220</b>		

##### ii. Community Hall

- Assumed building maintenance; cleaning, heating and lighting covered by CDT office costings.
- Assumed initial start up costs of tables, chairs etc met from charitable donation/part of TW install costs.
- Assumed daytime hire by groups like "mother & toddler".
- Assumed evening use by "youth group", "evening classes".
- Assumed occasional use for parties.
- Assumed available for 50 weeks per year.
- Assume initial year on year rise in income from Y1 getting up to this annual income by Y5.

	income pa	when incurred	comment
daytime hire	£1,500	every year from Y5	assume £10 per session, 3 days per week
evening hire	£2,250	every year from Y5	assume £15 per session, 3 evenings per week
party hire	£600	every year from Y5	assume £25 per session, 2 times per month
<b>TOTAL , £ pa</b>	<b>£4,350</b>		

iii. Allotments

- 32 plots available for rent with an average size of 125m<sup>2</sup> (5 rod plots). Research into allotments in Kent would suggest an annual rent of £35 per plot.
- Assume initial year on year rise in income from Y1 getting up to this annual income by Y3.

	income pa	when incurred	comment
plot hire	£1120	every year from Y3	assumed annual rent of £35 per plot
sale of veg etc	£250		assumed surplus produce will be sold thro community shop
<b>TOTAL , £ pa</b>	<b>£1370</b>		

iv. Total Income

We are therefore predicting a total generated income of

£6940 per annum once the development is established.

c. Biomass Charge

The detailed breakdown for this is included in the renewable energy strategy. The separate biomass service charge to the residents who have their thermal energy (hot water) supplied by the biomass boiler will be sufficient to cover all running costs associated with the biomass system including an allowance for a sinking fund to replace the boilers, heat exchangers and pipe distribution.

4. Direct Costs

a. CDT Manager

- In addition to salary, the CDT Manager will be entitled to a grace and favour home. During the first year the CDT manager will be employed for six months due to the construction lead in.

	cost pa	when incurred	comment
annual salary paid	£30,000	every year but only 6 months in Y1	CDT co-ordinator needs to be responsible person
employer costs	£6,000		pension, NI etc - assume 20% of salary costs
<b>TOTAL , £ pa</b>	<b>£36,000</b>		

b. Professional Fees

	cost pa	when incurred	comment
legal services	£3,000	every year	nominal sum to cover legal advice for Board
financial services	£3,000	every year	nominal sum to cover financial advice for Board
<b>TOTAL , £ pa</b>	<b>£6,000</b>		

c. Management Fees

	cost pa	when incurred	comment
management costs	£5,000	every year	nominal sum to cover obtaining ad hoc advice on contracts etc for CDT co-ordinator
<b>TOTAL , £ pa</b>	<b>£5,000</b>		

d. Start-up and Contingencies

	cost pa	when incurred	comment
start up	£8,000	Y1	sum to cover costs of one -off items as set up CDT office
contingencies	£1,000	Yearly	replacement of one-off items; new purchases, general office supply contingencies

e. CDT Office and Community Hall Running Costs

- We are presuming that given the central location of the community hall the CDT office will be located here.

	cost pa	when incurred	comment
telephone	£1,200	every year	rental plus calls plus mobile phone
broadband	£600	every year	available for CDT co-ordinator and ad hoc community use
cleaning	£2,250	every year	assume £40/week for daily clean service plus materials
electricity	£250	every year	
heating & lighting	£300	every year	
photocopier rent etc	£500	every year	
paper	£1,500	every year	inc for newsletters etc
other stationary items	£1,200	every year	inc printer inks
tea/coffee/biscuits	£200	every year	
<b>TOTAL , £ pa</b>	<b>£8,000</b>		

f. Grace and Favour Home

- This will be provided 'grace and favour' for the CDT manager.

	cost pa	when incurred	comment
building insurance	£500	every year	nominal sum
building maintenance	£500	every year	nominal sum to cover decorating and minor house repairs
council taxes	£1,610	every year	assume house will be in Band G - currently £1,606 pa
<b>TOTAL , £ pa</b>	<b>£2,610</b>		

g. Sinking fund

- An annual allowance of £15,000 is allocated to address the replacement of major items and any unforeseen maintenance/repair works.

5. Overhead Cost Assumptions

a. SUDS

	no of days	rate per day	cost, £	comments
inspect	25	160	4000	assume 5km swales;200m/day
restore	25	80	2000	thin out reed growth/debris/silt
<b>TOTAL</b>	<b>50</b>		<b>6000</b>	

b. LEAPS/NEAP/TRIM TRAIL

	no of days	rate per day	cost, £	comments
inspect annually	2	160	320	
replacement costs			3000	assume 5% original costs
bark for trim trail			1000	nominal
<b>TOTAL</b>	<b>2</b>		<b>4320</b>	

c. Sports Pitches - Pavilion

- To cover heating/lighting/electricity/building maintenance associated with their use.
- Costs for pitch maintenance (grass cutting etc) are covered in landscape costs (see item k below).
- Remaining overheads concern pavilion building.

	cost pa	when incurred	comment
building insurance	£500	every year from Y5	nominal sum
external building maintenance	£500	every year from Y5	nominal sum to cover decorating and general maintenance
<b>TOTAL , £ pa</b>	<b>£1,000</b>		

d. Ecology

	no of days	rate per day	cost, £	comments
inspect bat/bird boxes etc	2	160	320	annual checks
repair damaged ones	2	80	160	repairs
<b>TOTAL</b>	<b>4</b>		<b>480</b>	

e. Homezone Maintenance

- There are significant amounts of paving in the Boulevard (formal area) as well as other paving elsewhere on site (eg shared surfaces).
- Loose and damaged paving will need to be replaced/repared regularly.
- Dislodged paving will need to be re-set.
- Assume 100m2 per year needs resetting and 25m2 per year needs replacing.

	cost pa	when incurred	comment
re-setting	£3,000	every year from Y4	assumed re-sett using existing pavers; labour £30 per m2
replacing	£1,875	every year from Y4	replace at £40/m2 cost plus labour
<b>TOTAL , £ pa</b>	<b>£4,875</b>		

f. Waste Disposal

- Concerns provision of litter pickers on a one visit per month basis throughout the year
- Plus monthly provision of skip to collect litter and send for off site disposal
- Plus hire of dumper truck and skip for removal of fly tipped waste, based on two occurrences per year
- Assume initial year on year rise in costs from Y1 getting up to this annual cost by Y4 as site areas increase.

	cost pa	when incurred	comment
litter pickers	£2,160	every year from Y4	2 pickers per visit, 2 days per visit, £45 per day wage each
skip	£2,100	every year from Y4	cost of £175 per skip
fly tipping removal	£850	every year from Y4	half day dumper hire with operator skip
<b>TOTAL , £ pa</b>	<b>£5,110</b>		

g. Liability Insurance

This is to be £500 per annum for the first two years rising to £2500 per annum thereafter.

h. Education

This is a small fund of £1000 per annum for the CDT Manager to promote green awareness etc.

i. Incidentals

An amount per annum to cover incidentals that are not be covered by the sinking fund account. Clearly if this annual allocation is not used then this can be rolled over to the following year.

j. Arboricultural Work and Woodland Management

	no of days	rate per day	cost, £	comments
<b>Arboricultural work</b>				
inspections - woodland	5	320	1600	inspections based on one specialist
inspections - parkland	2	320	640	covering 6 acres per day in tree-ed areas
inspections - arboretum	1	320	320	
inspections - orchard	1	320	320	
inspections - new woodland	4	320	1280	
inspections - dev area	5	320	1600	assumed 40 trees/day; 200 trees
<b>TOTAL</b>	<b>18</b>		<b>£5,760</b>	

	no of days	rate per day	cost, £	comments
<b>Arboricultural work</b>				
tree works - woodland	6	520	3120	works based on 2 man team to
tree works-parkland	3	520	1560	prune or fell trees
tree works - arboretum	1	520	520	works done in winter
tree works - orchard	2	520	1040	assume can do 5 acres/day
tree works - new woodland	5	520	2600	
tree works - dev area	1	520	520	assumed 4/day; 20/year
<b>TOTAL</b>	<b>18</b>		<b>£9,360</b>	

	no of days	rate per day	cost, £	comments
<b>General tree works</b>				
woodland	14	160	2240	works include: thinning woodland
parkland	0	160	0	to create glades; remove brambles;
arboretum	0	160	0	remove unwanted species;
orchard	0	160	0	retread new trees after storms
new woodland	9	160	1440	check guards and stakes
dev area	0	160	0	weed control under tree
<b>TOTAL</b>	<b>23</b>		<b>£3,680</b>	

	no of days	rate per day	cost, £	comments
<b>Extra tree works</b>				y1 to y3 only
new woodland - early years	5	160	800	re-treading; restaking; adj guards
<b>TOTAL</b>	<b>5</b>		<b>£800</b>	

	no of days	rate per day	cost, £	comments
<b>Tree replacements</b>				
50 trees at £50	50	50	2500	specialist/mature replacements
50 trees at £30	50	30	1500	other replacements
<b>TOTAL</b>	<b>100</b>		<b>£4,000</b>	

k. General Landscape and Open Space

	no of days	rate per day	cost, £	comments
<b>Mowing</b>				
parkland	45	80	3600	grass cutting at 10 acres/day
arboretum	12	80	960	once a month for 9 months
orchard	5	80	400	paths cut twice a month
dev area	4	80	320	meadows cut twice a year
sports pitches	3	80	240	
<b>TOTAL</b>	<b>69</b>		<b>£5,520</b>	

<b>General landscape works</b>	no of days	rate per day	cost, £	
Hedge cutting, fence mending, lake cleaning, path repairs	30	80	2400	
<b>TOTAL</b>	<b>30</b>		<b>£2,400</b>	

l. Walled Garden

	no of days	rate per day	cost, £	comments
gardener	61	240	14640	1.5 days/8 months; 0.5 days/4months
plant allowance			500	nominal for sensory garden etc
<b>TOTAL</b>	<b>61</b>		<b>£15,140</b>	

m. Heavy Equipment Hire

	no of days	rate per day	cost, £	comments
for tree works or groundworks	3	500	1500	for specific one-off tasks
<b>TOTAL</b>	<b>3</b>		<b>£1,500</b>	



## **6. 10 Year Business Plan**

Based on the above costs the following table presents a ten year business plan for the CDT. Until the development is fully constructed in year 6 the income generated does not cover the outgoings. The deficit is covered by the endowment from Taylor Woodrow which keeps the CDT cash positive. The medium and long-term picture is positive with all outgoings covered by the income and presumes no increase in the service charge during the first ten years. It is envisaged that the net surplus will be invested into the sinking fund account for future work etc. It is also worth pointing out that the biomass service charge is to apply only to those units that have the benefit of the biomass heating and that the biomass service charge covers all costs associated with the biomass including long-term maintenance and replacement. The key risks associated with this model are:

- Significant negative changes to the generated income assumptions.
- Life expectancy of items such the LEAPS and NEAPS being shorter than anticipated therefore meaning that the sinking fund has to be used earlier than anticipated.
- Changes to the layout and specification that will have a detrimental impact on costs as the planning process progresses.
- Severe weather conditions having an impact on SUDS and landscape that wont be covered by insurance.
- Greater percentage of bad debts to recover.
- Longer than anticipated build resulting in more time till the service charge is up to its maximum level.

[illegible]

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
	£	£	£	£	£	£	£	£	£	£
<b>OVERHEADS</b>										
SUDS		£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000
LEAP/NEAPS/Trim Trail			£4,320	£4,320	£4,320	£4,320	£4,320	£4,320	£4,320	£4,320
Sports Pitches			£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000
Ecology	£480	£480	£480	£480	£480	£480	£480	£480	£480	£480
Homezone Maintenance				£4,875	£4,875	£4,875	£4,875	£4,875	£4,875	£4,875
Waste Disposal				£5,110	£5,110	£5,110	£5,110	£5,110	£5,110	£5,110
Liability Insurance	£500	£500	£2,500	£2,500	£2,500	£2,500	£2,500	£2,500	£2,500	£2,500
Education	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000
Incidentals	£1,000	£2,000	£3,000	£3,000	£5,000	£5,000	£5,000	£5,000	£5,000	£5,000
Arboricultural Work and Woodland Management	£23,600	£23,600	£23,600	£23,600	£23,600	£23,600	£23,600	£23,600	£23,600	£23,600
General Landscape Works and Open Space	£7,920	£7,920	£7,920	£7,920	£7,920	£7,920	£7,920	£7,920	£7,920	£7,920
Biomass costs (as per biomass strategy to cover supply, distribution, long-term maintenance etc)				£84,320	£84,320	£84,320	£84,320	£84,320	£84,320	£84,320
Gardener for Walled Garden	£15,140	£15,140	£15,140	£15,140	£15,140	£15,140	£15,140	£15,140	£15,140	£15,140
Heavy Equipment Hire				£1,500	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500
	£49,640	£56,640	£64,960	£160,765	£162,765	£162,765	£162,765	£162,765	£162,765	£162,765
<b>BAD DEBTS</b>										
Write of 5%	£1,016	£3,040	£4,800	£6,400	£8,000	£8,320	£8,320	£8,320	£8,320	£8,320
	£1,016	£3,040	£4,800	£6,400	£8,000	£8,320	£8,320	£8,320	£8,320	£8,320
<b>NET SURPLUS/DEFICIT</b>	208,554	-69,490	-42,870	-23,455	5,445	12,965	12,965	12,965	12,965	12,965
<b>CUMLATIVE</b>	£208,554	£139,064	£96,194	£72,739	£78,184	£91,149	£104,114	£117,079	£130,044	£143,009