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## EVENT FEE – DISCLOSURE DOCUMENT

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### Deferred Development Payment

The extensive communal facilities, including the renovation of Mount Battenhall, have been very expensive. Owners over many years will benefit from their use. For this reason, the leases have been structured so that all occupiers, not just the initial purchasers, make a contribution to the freeholder (ERL (Worcester) Limited) for the cost of these facilities. The alternative would be for the first purchasers to pay a very high initial price.

This contribution, called a Deferred Development Payment (“DDP”), is graded at:

#### Length of ownership:

■ Up to 1 year	6%
■ 1 to 2 years	8%
■ 2 to 3 years	10%
■ 3 to 4 years	12%
■ 4 to 5 years	14%
■ 5 to 6 years	16%
■ 6 years and over	capped at 16%

It is payable when the property is sold or re-assigned and is based upon a percentage of achieved sale price or the open market value at that time.

We feel it would not be fair to charge the maximum fee to an owner who will only benefit for a shorter term and have, therefore, introduced a gradual increase. The final percentage is capped at 16%, irrespective of the length of occupation after the two-year period.

You don't pay anything until you or your Executors sell or re-assign the lease of your property.

### Property Value

Any uplift in equity (increase in value) achieved from a sale of a property, after payment of the DDP, is retained by the vendor(s).

Similarly, any decrease in value is borne by the vendor(s).

### Examples

The table below shows examples of what the DDP might be if a property was purchased for £350,000 and was later sold (1) after its price had gone up by 3% per annum; (2) if the value remained static; and (3) if the price went down by 3% per annum.

It is not, of course, possible to show examples of all scenarios – all permutations of different rates of increase/decrease in value, the property value going up, down or remaining static some years and not others – but the table hopefully gives an understanding of how the DDP works.

		Annual Property Price Inflation					
		+ 3%		0%		- 3%	
Length of Ownership	DDP Rate	Property Value	DDP	Property Value	DDP	Property Value	DDP
Up to 1 year	6%	£360,500	£21,630	£350,000	£21,000	£339,500	£20,370
1 – 2 years	8%	£371,315	£29,705	£350,000	£28,000	£329,315	£26,345
2 – 3 years	10%	£382,454	£38,245	£350,000	£35,000	£319,435	£31,943
3 – 4 years	12%	£393,928	£47,271	£350,000	£42,000	£309,852	£37,182
4 – 5 years	14%	£405,745	£56,804	£350,000	£49,000	£300,556	£42,078
5 – 6 years and over	16%	£417,918	£66,867	£350,000	£56,000	£291,540	£46,646

\* These rates of property price inflation are indicative only.

\*\* Property prices may go up and down and vary from property to property.