

Minutes of Company Directors' Meeting

Springhill Cohousing Community Ltd

Tuesday 2nd April 2019 Meeting started 19.45

Present: Malcolm, Neil, Felicity, Symon, Paul, Eve, Rosie, Jane S, Anya, Lou, Nicky (minutes), Anne H, Anne C., Karen Doe, Jo B., Liz, David M (chair).

Meeting started with a **Go round**

1. Minutes of the September 2015 Directors' meeting were **approved**
2. Proposed procedure for "nominating":

The company will by default nominate any existing resident of Springhill who within the 28 day notice period agrees to pay the seller's asking price and emails the residents and the company secretary to that effect. If more than one existing resident agrees to the asking price, the seller may choose which one should be nominated. The "interested list" will be informed as soon as the property is put up for sale but members of the interested list who are not residents of Springhill will not be nominated by the company. The company itself still retains the right to buy the property at the asking price. The lease is not affected. The company may, of course, at a properly constituted meeting, make a nomination decision which is not the default one indicated above.

Proposal was approved

3. Meeting closed at 20.10

End of minutes.

Background

Once the company has been formally notified of an intention to sell at a given asking price then the seller has offered the company (or anyone the company nominates) the chance to buy at the notified asking price. There are 28 days for the company or its nominee to agree to buy at that price. Once agreed and the whole of the 28 day period has elapsed, the nominated buyer then has a further 28 days to "complete the sale", otherwise the seller may then sell on the open market. The company has so far never exercised its right to buy or to nominate a buyer.

Nicky's Notes: Several questions were raised, answers are given here for the benefit of those not present at the meeting:

- a) Q. Why not leave telling the interested list until the first or second 28 day period has elapsed?
A. We should try to be fair to the sellers and not introduce unnecessary delays where no resident is able to buy; and also fair to those on the interested list who have in some instances made relationships with Springhill, come on the visitors days etc. Also, once word is out about the sale amongst residents then friends and others will get to hear about it and the interested list will be disadvantaged
- b) Q. What happens if the seller gets a higher offer from a non-resident within the offer period(s)?
A. The seller has made a legal offer to sell to the company or its nominee. The seller could withdraw that offer but then the process would begin again at the higher price. The seller might introduce delay into the process but see (c) below.

- c) Q. How do we enforce this lease condition?
A. The company secretary has to sign a form as part of the sale process saying that the lease conditions have been met and allowing the sale to go ahead.
- d) Q. Suppose the seller names an artificially high price to the company and then sells at a lower price to someone else?
A. If the price is lower by more than 10% then the sale process has to start again and the company, or its nominee, will be offered the chance to buy at the new price.