

OTTERSASHAW PARK HOLDINGS LTD.

WELCOME

And thanks for attending this important meeting.

Apologies for the clash with a major European football event.

I would like to present the committee's views to members, to explain why we recommend the proposal to you and then take questions before the vote.

PURPOSE OF THE MEETING

- The EGM is called to vote on the proposal (as set out or amended) to set up a separate company, Ottershaw Park Holdings, to purchase 2 areas of woodland between Ottershaw Park and the Chobham Road. These are marked as A and B on the document previously circulated
- We are not here to discuss maintenance of the woodland, which assuming a successful outcome, will be determined after the purchase by the directors of OPH in consultation with OPH/OPEC members.
- Neither are we here to discuss how OPH will be organised. The OPEC management committee in consultation with our solicitor will determine that.

WHY ARE WE RECOMMENDING PURCHASE?

To prevent any purchase by travellers or hostile developers.

To preserve the current value of our homes

To add potential value to our homes through any future development

To manage any future development as part of Ottershaw Park

We are all aware of the problems with gypsies in this area, the issues with Willow Farm on the other side of the Chobham Road is a clear example of their policy of buying areas of land, moving on in clear contravention of planning policy and then using human rights legislation to start a long legal wrangle that in the best case takes years to get them removed or in the worst case for local residents, ends up with a Whitehall civil servant making the decision to allow the travellers to establish a legal caravan site in the face of local council and residents opposition.

We cannot tell how likely a purchase by travellers is. It is clearly possible, the council's officers see it as a potential outcome and it is a brave man who ignores the potential when so much is at stake. The impact on OPEC property prices, our ability to sell and the adverse effect on our security and quality of life would be horrendous.

OUR LEGAL SANCTION

The OPEC Memorandum & Articles of Association, state that one of the objects for which the company is established is: 'To purchase, take on lease or by any other means acquire freehold, leasehold or other property for any estate or interests whatever and any rights privileges or easements over or in respect of any property and any buildings and any real or personal property or rights whatsoever which may be necessary for or may be conveniently used with or may enhance the value of any other property of the company.'

That's legal speak for yes we can do it!

MEMBERS QUERIES

You have all received information outlining the scheme we are proposing. In that information you were asked to contact the committee if you had any queries.

We have consulted a solicitor and barrister for their advice on the woodland purchase. They both offered to attend this meeting and our request for your queries was to raise any issues with them before the EGM so as to control costs. Apart from comments of support we have not had any direct queries raised that I will not deal with in my comments this evening.

BACKGROUND, HOW DID WE GET TO THE CURRENT PROPOSALS?

Firstly I would like to thank the many members I have spoken to over the last month or so and to all those who have previously pledged money towards schemes for purchase which in the event did not come to fruition. It was the high level of concern and support for action, that convinced me that we could do something proactive to secure the land.

The current proposals are our 4th scheme for purchasing the woodland. I do not intend to dwell on the other options and the committee are convinced it is the best possible scheme and in the best interests of all members of OPEC.

The method of sale, by short notice sealed tender was very effective at heightening concern and putting pressure on potential purchasers, especially when we have to ensure the active co-operation of 80 members. Our starting bid was for £70,000 for each area, which was rejected and I know a subsequent bid of £100,000 for A lot was also rejected. The accepted bid of £110,000 for each area is certainly overpriced but as the man said who came to look at the trees for us, you try buying any land at a 'normal' price. We are in a 'property price bubble' and land is going for silly prices.

THE MAJOR ISSUES.

The previously circulated information should have given everyone a reasonable grasp of the issues involved, so I am not going to reiterate the whole document but limit my comments to a Good News/Bad News summary. What would you like first, the good news or the bad news? Lets get the bad bits out of the way, with the plan as it stands.

- The bid is only for plots A & B, plot C is under offer from 2 residents of Tulk House, so OPEC cannot directly control its management, potential development or subsequent sale.
- We are paying a grossly inflated price for woodland
- The purchase is going to cost every member £2,750, more with the interest if you cannot afford to make the single up-front payment.
- There will be ongoing maintenance costs yet to be determined.

So what about the good news? Happily it greatly outweighs the bad.

- We secure 2 of the plots against traveller purchase and the section we are not buying is in the hands of OPEC members who will have a continuing interest in keeping travellers out.
- The separate purchase of plot C reduces the initial purchase cost and subsequent maintenance costs for every member.
- Purchase through a separate company will enable OPH to distribute any profit to shareholders if the land were ever developed. Development is not a prime objective but it is a potential 'lottery ticket' for each OPEC/OPH member.

- Keeping the shareholding in OPH with OPEC properties ensures a continuing estate interest in the woodland, so management and any future development will be in the hands of OPEC members.
- The woodland will remain private but will be a communal asset that can be accessed by OPEC members and their guests.
- Although the purchase price is high, when divided equally among 80, the burden on each member is significant but not unreasonable. The principle of equal apportionment of the costs has been questioned and it is true that different properties would be differently affected by traveller occupation and that some properties are worth more than others but any attempt to reflect those differences would be contentious. OPEC has always operated on equal allocation of costs and to continue to do so will ensure all OPEC/OPH members will have an equal vote in determining future policy over the woodland.
- We have secured a loan against the land, so members who are unable to find £2,750 as a lump sum will be able to pay in instalments over 4 years.

PAYMENT OF EACH MEMBERS PROPORTION OF COSTS.

If we secure a vote in favour of the proposal we will send an invoice to each member asking for a cheque for £2,750 made payable to OPEC that will be held by OPEC upon trust pending completion of the purchase, following which a member of OPEC will become a member of OPH.

We would ask that every member who can afford too, pays the full amount and does not use the loan option. This is to minimise the administrative workload for committee members and total cost to each individual

We have changed the terms of the loan from that previously circulated, with the first loan payment and the lump sum payment both falling due on July 1st. That will ensure the loan, which is secured on the woodland, is kept to a minimum and also reduce the total amount of interest paid by any member who needs to take that option. The terms of the loan option will be circulated with the invoice.

I am sure you will appreciate this whole issue has been very time consuming and your committee are non-paid volunteers. Estate administration and projects such as this would cost OPEC £ thousands if it were not done by members, so your co-operation in paying the lump sum and reducing their workload would be appreciated.

ENFORCEMENT

What will happen if a member does not pay?

Each member is covenanted to OPEC in the deeds of their property and if this scheme is approved by a 75% vote at a properly constituted EGM, members will be obligated to comply. In the event of any non-compliance the committee will act just as they would for non-payment of the annual maintenance invoice. After suitable correspondence OPEC would enforce the debt and upon judgement in its favour, at the defaulters expense, OPEC would register a charge against the members property. The owner will find it difficult, if not impossible to sell in that situation.

Happily we have never had to do this in the past and we do not expect to have to do so in the future. It is in all members' interests to co-operate with majority members decisions to ensure the good management of the estate and protect the value of their OPEC asset.

WHAT WILL HAPPEN AFTER A VOTE IN FAVOUR?

We will instruct our accountant to set up a company called Ottershaw Park Holdings Ltd.

We will issue an invoice to each OPEC member for payment of £2,750.

If this evening we get a vote in favour of the motion we will then hold an inaugural meeting of OPH, where we will ask the members present to vote for the OPEC committee to be the directors of OPH so the company can be formed, the woodland purchase concluded and initial maintenance and insurances secured. OPEC/OPH members will be informed of developments and interested members should contact the directors so a working party can be established to look at alternative management options for the woodland. It is anticipated that the AGM of both companies will be held on the same date and members will determine OPH actions at that time.

AMENDMENTS TO THE MOTION.

The current motion reads:

‘To instruct to the Management Committee of Ottershaw Park Estate Company Ltd (OPEC) to protect the value of members assets by setting up a separate company, Ottershaw Park Holdings Ltd (OPH) to purchase woodland bordering Ottershaw Park for the sum of £220,000.

For each member of OPEC to be allocated one of the 80 shares in OPH for a single payment of £2,750 with the option to pay, with interest, over a 4 year period.

For all costs in creating OPH and the purchase of the land to be met from OPEC reserves and for OPEC to maintain the woodland for the benefit of the estate as a whole

If for any reason the scheme to establish OPH fails the management committee is authorised to use OPC reserves as they see fit to secure the woodland’

Subject to members agreement the committee have 3 proposals for additions to the motion.

1. ‘That if the purchase of plot C were for any reason not to be completed, that the committee should take steps to secure that land on similar terms to the plots A and B.’ We are not aware of any likelihood of this happening but it would avoid the necessity of calling another EGM if it were to happen.
2. ‘That in the event of a members non payment or default in payment, that compound interest be applied to the outstanding amount at 1% per calendar month’ Again we hope this will not be required but the committee ask members to approve this addition to emphasise the costs of non-payment and to avoid us having to meet to approve this in the future. Can this be done as it will be an OPH responsibility?
3. ‘That OPEC take a lease from OPH for the woodland, to enforce the contractual obligations between the 2 companies.’ The lease will be granted at a peppercorn rent and will commit OPEC to pay all the landlord’s costs associated with the land. That will ensure there are no tax implications on any OPH income as there won’t be discretion of OPH members. any. The lease can be terminated at the

QUESTIONS

I will shortly open the meeting to members questions.

After that I will ask the members present to vote on each of the proposed amendments before taking a vote on the final motion.

To ensure everyone can follow proceedings I need all comments to go through the chair. Anyone with questions should please raise their hand and when asked to speak, should stand and give their name and their OPEC address.

Do we have any questions?

Vote on amendment 1.

Vote on amendment 2

Vote on amendment 3

Vote on the full proposal.

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