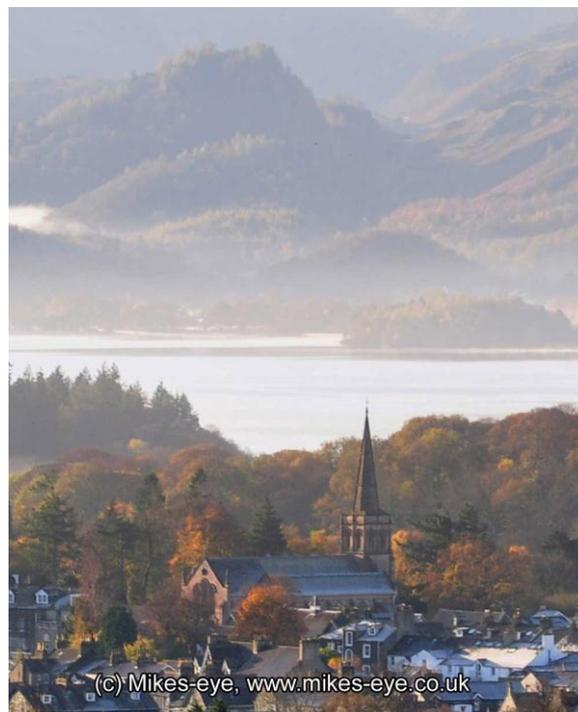


Keswick Community Housing Trust

COMMUNITY INVESTMENT SHARE OFFER

PROSPECTUS

An Industrial and Provident Society
Registered No 31141R



This Share Offer presents you with an exciting opportunity to help secure the wellbeing of the Keswick community for the future by investing in the first development of more truly affordable homes in the town to be provided near St John's Church by Keswick Community Housing Trust.

PLEASE READ THIS IMPORTANT INFORMATION FIRST

Keswick Community Housing Trust (KCHT) and its Board accept responsibility for the information contained in this document. To the best of the knowledge of KCHT and the Board (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and contains no omission likely to affect its substance.

Prospective investors should read the whole text of this document and should be aware that the intended outcomes of an investment in KCHT are speculative and involve significant risk. Prospective investors are advised to read in particular, the sections of this document headed "The Community Investment Share Issue" and "Contingencies and Risks". Our Share offer is exempt from the Financial Services and Markets Act 2000 or subsidiary regulations; this means you have no right of complaint to an ombudsman. A community benefit society such as KCHT is registered with but not authorised by the Financial Services Authority and therefore the money you pay for your Shares is not safeguarded by any depositor protection scheme or dispute resolution scheme. As the whole of your investment could carry a risk, please consider it carefully in the context of the complete Share offer document and, if needed, seek independent advice.

SUMMARY

This is a prospectus for a Community Investment Share issue by Keswick Community Housing Trust (referred to throughout as "KCHT"). The aim is to raise £150,000 through this Share offer to facilitate the purchase and development of the proposed site at St John's.

KCHT has planning permission to carry out our first housing development on this site consisting of eleven three bedroom houses with a mix of tenure (rented, shared ownership and local occupancy) on what will be an attractively designed site to the rear of St John's church.

This document explains why KCHT was set up, who we are and what we want to do with the funds raised through the Share issue.

You are invited to invest a minimum of £250 or any other larger amount up to £20,000.

The Share Offer will be launched on 21 June 2012. Applications for Shares should be made no later than 31 July 2012 but the offer will remain open until the Board declares it to be closed.

WHO ARE WE?

KCHT was formed as a consequence of concerned and motivated individuals in Churches Together in Keswick carrying out the 'Exploring Our Community' consultations early in 2009 about improving the future for all the townspeople of Keswick. This threw up great concern at the combined impact of high house prices and second homes, low wages associated with the tourism industry, the loss of affordable housing through the Right to Buy, and the high cost of recent housing association shared ownership.

KCHT is a Community Land Trust, registered with the Financial Services Authority as an Industrial and Provident Society (No 31141R). We use governing documents drawn up by Cobbett's and Anthony Collins Solicitors, experts in the legal aspects of Community Land Trusts, who have advised us in launching this Share Issue.

KCHT has a Board of Directors. The initial Directors come from a variety of backgrounds as follows-



Name	Background	Role
Bill Bewley	Quakers, Churches Together	Chairman
Lorraine Taylor	Previously Town Council	Secretary
Peter Roberts	Retired Deputy Head	Treasurer
Wendy Bewley	Retired Bank Official	
Jo Brand	Trained Mortgage & Savings & Investment Advisor	
Bob Bryden	Retired Head Teacher	
Mike Hodgson	Established Keswick Builder	
Chris Moore	Baker	
Sue Roberts	Retired Teaching Assistant	
Jennet McLeod	Methodist Minister – Churches Together	
Joyce Swainbank	Customer Services Adviser	
Andrew Thorburn	Cable Jointer	

In future, the Directors will be elected at each Annual General Meeting (AGM) of KCHT. Anyone who shares a commitment to the provision of affordable housing in perpetuity in Keswick can become a member of KCHT upon payment of the sum of £1.00. The AGM is a public meeting, but only those who are members of KCHT are entitled to vote. Any member can stand for election to the Board.

KCHT is advised and supported by Community Land Trust Officer, Andy Lloyd, who works with several other Community Land Trusts across Cumbria who are seeking to address similar problems in their communities. There is a small sub group dealing with the Share Issue, consisting of Rev Jennet McLeod, Wendy Bewley, Jo Brand and Bob Bryden, advised by Andy Lloyd and Sarah Lines of Anthony Collins Solicitors.

WHAT HAPPENS IF KESWICK DOESN'T HAVE AFFORDABLE HOUSING?

A recent Housing Needs survey for Keswick (2011) carried out by Allerdale District Council found the following:

1. An unbalanced market for owner occupiers and social renters
2. Highest need is for 3 bedroom houses for rent
3. Estate agents report that they sell more properties as second homes and holiday lets than they sell to local people
4. Housing unaffordable for virtually the entire local population
5. Wages paid completely out of line with cost of accommodation
6. Employment options low paid and unskilled
7. Employers experiencing problems recruiting people locally.

That housing in Keswick is unaffordable for the vast majority of local people is incontrovertible. This area has an economy dominated by low wages, part-time work and seasonal work with over half of the workforce being employed in hotels, catering or retail. A household can be considered able to afford to buy a home if it costs 3.5 times the gross household income for a single earner households or 2.9 times the gross household for dual-income households.

According to the same Housing Needs survey:

- The lower quartile price (ie the average of the lowest quarter of property prices) for a property in this housing market area is £167,461. The lower quartile household income is £14,019 which would make affordable properties those selling at around £41,000.
- The median income is £24,237. If we use the formula based up on the lending criteria of banks and building societies then we define affordable as being 3.5 times the average household income, meaning the average household in the area can borrow just under £85,000. At the time of the report, the cheapest property for sale was a one bedroom retirement flat priced at £90,000.

What about rented properties? Housing waiting lists demonstrate (and probably significantly underestimate) the need for affordable housing in the town. According to the Housing Needs Survey (2011), in this housing market area, if no new need arose and taking into account the turnover for Keswick, it would take potentially, for example, 23 years to address the current need for 3 bedroom houses unless new houses are built.

The population of the town is already unbalanced. Keswick has a population of around 5,000. 24.7% Keswick residents ARE 65 or older, (average in England 15.9%). 23.3% children and young adults under 25 (average in England is 31%)

What are the implications of this for the community in Keswick?

This is John's story -

John is a young man working as a car mechanic in Keswick. His wife Jane is a careworker at a local residential home. They are both from the town, living with John's parents because they can't afford to buy a house. To buy the cheapest family home possible they would need a joint income of over £65,000 – theirs is £27,000. There is a long waiting list for rented social housing and very little can be rented privately – what is available is very expensive but most properties are only for winter let anyway. Jane becomes pregnant and the couple are forced to move to the west coast, to live in rented accommodation. John changes his job because of the cost of travelling to the garage and Jane moves to a local care home in their new town. The garage and the care home struggle to replace them. Their parents are not at hand to babysit and will find it increasingly difficult to travel to see their grandchild as time goes on. As their parents grow older John and Jane will not have the time to travel to Keswick to care for their parents and may have to rely on social services. John was a reserve firefighter in the town; the fire service announces that it may have to close due to lack of eligible young people to crew the local service. Jane used to run the town Brownie group; there is no-one to replace her.

Other young people from the town find themselves in a similar position to John and Jane. The child minder no longer has any children to look after and loses a valuable source of income. The newsagent, already struggling due to lack of local customers, announces that the paper delivery service will have to cease because there are no paper boys and girls. The primary school comes under threat, due to low numbers and staff shortages. It has to compete fiercely with the village schools and some of them close with the knock-on effect on their communities. And so it goes on ...

This is a fictional story, but it reflects the reality faced by young people in Keswick. These are some real life cases: *I have a reasonably well paid job as a primary school teacher and was forced to pay £500 per month for a one bed flat with no parking, freezer or washing machine because I wanted to live in Keswick where I had grown up. I lived in freezing conditions over the winter (the coldest in years) due to the fact I was terrified to put the heating on as I could barely afford to survive. The council tax is Band B for a one bedroom place due to its 'desirability' which also costs me £100 a month even with my 25% discount. I paid the same rent in London where I was given an allowance as it was recognised that rent was so high and I actually paid less council tax as well. (Female, aged 27)*

I moved to Keswick with my parents at 18 and went to Keswick school. Since returning from university moving out of my family home has not been even an option as I don't have anyone to rent with as all my friends had moved away and I can't afford it on my own. I used to have two part time jobs in Keswick - which were professional jobs - now I work full-time in West Cumbria. I did apply to a housing association to buy a shared ownership house but was not even considered. That was when mortgages were easily available- now I would not even consider it. (Female, aged 25)

We moved to Keswick 14 years ago. Our daughter met and married a Keswick lad and had to move outside the National Park because they could not afford to buy in Keswick. They now have two children and both work in Keswick. They would love to be able to move back. (Couple who are actively involved in many aspects of Keswick life)

If you want to see more facts and figures as they apply to Keswick, they are provided in the appendices.

The situation is serious but - and this is important – if the community works together it can be dealt with and Keswick Community Housing Trust are committed to making a start – with YOUR help.

If you like living in Keswick and benefit from all that it provides then please don't let one of the most vital elements in the town - young people - drain away.

THE DEVELOPMENT AT ST JOHN'S

Keswick has always been and still is a Market Town, in order for our market town to thrive we need the local people of Keswick to live and work here. As you have read above, many of the local people of Keswick have moved away for better paid jobs and lower cost housing and many have moved to the outer towns as property in Keswick is beyond the reach of most people.

We have secured a suitable plot of land on the site of the prominent St John's Church who have generously agreed to make it available at a price which will enable the genuine affordability of the houses. It is in the centre of town and we have obtained planning permission to build eleven three bedroomed properties, totally in keeping with the surrounding properties and hope to make them as environmentally friendly as possible. The Lake District National Park planners have indicated a strong need to consider a 'Green Build' using sustainable building techniques, KCHT is very keen to ensure that the housing complements the varying styles of the town.

The aim of KCHT is to provide a mix of low cost rented homes and shared ownership homes to meet the needs of those on lower and intermediate incomes. The eleven properties that are built will serve every aspect of Keswick

need. The plan is to provide 5 rental properties, 5 part ownership properties (2 @ 45% of the market value, 2 @ 60% and one @ 75%) and one local occupancy property which will be sold at a discount on open market prices and which will provide some cross subsidy for the development. (Local occupancy refers to a property which can only be sold to a person who is employed, about to be employed or was last employed locally or to someone who has lived locally for three years or more. This restriction has a discounting effect on the price. (See LDNP Policy CS18.))

KCHT has worked hard to make sure that every aspect of the build is right and with the assistance of Derwent and Solway Housing Association we have selected Day Cummins as the Architects and Donleys as the Quantity Surveyor (QS). Donleys QS will act as a Client Representative providing project development and delivery and controlling costs on KCHT's behalf. They have been responsible for orchestrating tenders from developers and building contractors and will be responsible for maintaining control over the project budget and deliverability.

The Rules of KCHT attempt to secure these properties as truly affordable homes in perpetuity for local people.

THE SHARE ISSUE

This section should be read in conjunction with Appendix B

You are investing in the first development planned by KCHT. We aim to raise £150,000 from this Share issue which will help secure the affordability of the houses. The minimum investment is £250 and the maximum £20,000, in units of £1.

Once we have reached our target, a waiting list will be held of potential new members ready to replace investors who withdraw funds.

This is a long term investment and there is risk. The value of each Share is fixed unless KCHT fails to cover the cost of building the houses with grants and the return from rent and sales in which case the law dictates that these Shares can only be bought back by KCHT and this will only be possible once sufficient cash reserves have been built up. This means you will not be able to withdraw your investment unless the Directors agree there are sufficient funds.

We do not want people to invest any money they cannot afford to lose. Seek professional advice if you are unsure about any part of this Offer.

This Share Offer should be regarded as an opportunity to put something back into the Keswick community for the long term. KCHT is currently seeking exempt charitable status from Her Majesty's Revenue and Customs (HMRC). KCHT has wholly charitable objectives within its Rules and must act in accordance with them. KCHT will keep investors informed when we have received recognition from HMRC as an exempt charity. Whilst this is really an opportunity for investors to make a significant contribution to the long term well-being of the town, nevertheless as outlined in this section and in Appendix B we intend that there will be the opportunity for repayment of one's investment in whole or in part.

This Share Offer is exempt from the Financial Services and Markets Act 2000 because Shares in KCHT are not 'securities' for the purpose of those regulations. If KCHT fails there is no right of complaint to an Ombudsman or the Financial Services Compensation Scheme.

If you would like to invest more than the maximum £20,000, please contact KCHT to discuss other options we have.

The offer set out in this document is only open to UK residents.

A moratorium of three years on withdrawals of Shares has been set in order to help the important early stages of the development and to ensure the sustainability of KCHT. The *Business Plan* envisages that by this time we will have built up the reserves needed to permit limited withdrawals. It is, however, fundamental that, before

returning investment monies to Shareholders, KCHT delivers the community benefits which are the reason for its existence.

Asset Lock and Charitable Status

In the unlikely event that KCHT has to be wound up, all its assets will pass to another organisation with comparable aims and objectives in terms of the provision of affordable homes, eg a Housing Association.

MEMBERSHIP OF KCHT

Rule C7 states that ‘Each community investment Shareholder shall be admitted as an associate member and such Shareholders may apply to become community Shareholders. Associate members do not have all the same rights as community Shareholders. Associate members may attend general meetings as Shareholders but do not have the right to vote. The total Shareholding combined cannot exceed the maximum that the law allows. However we propose that £1.00 of every investment shall be utilised to enable each community investor to become a full member of KCHT.

THE FUNDING PACKAGE

The following figures set out the anticipated funding package for the development near St John’s:

Building works:	£1,147,238
On-costs	67,738
Land acquisition	<u>110,000</u>
Total cost	<u>£1,324,976</u>

This is funded by:

HCA Grant:	£230,000
Sale of Local Occupancy Property:	192,000
Community Share issue	<u>150,000</u>
Total funding:	<u>£572,000</u>

The difference between these two, estimated on the above figures of £752,976, (less any increase in the Community Share issue in excess of £150,000) will be funded in the course of the development out of the sales of the five part share properties. Pending these sales, the Trust is arranging a commercial loan facility including appropriate adjustment for the amount of the Community Share actually achieved.

SUPPORT GIVEN TO DATE

KCHT has been successful in gaining support from the following organisations:-

St John’s Church

Who have agreed the option to purchase the site for £110,000 to help meet the housing needs of people in Keswick.

Keswick Town Council

KCHT has reported to the town council who are enthusiastic about the project and have provided a small grant towards set-up costs.

Allerdale Borough Council

Trustees have met with Borough Council officers on several occasions. The Borough Council is supportive of KCHT's inclusion as a potential bidder for housing grant in the Local Investment Plan. They are also advising on:-

- Planning + Building regulations
- Allocation policy
- Homes and Communities Agency (HCA) interaction
- Support funding
-

The Lake District National Park Authority (LDNPA),

KCHT is in regular contact with the National Park who are promoting CLT schemes and are supportive of KCHT's proposals for this site and have provided a small grant for set-up costs.

Derwent & Solway Housing Association, (D&S HA)

D&S Housing Association provided background guidance for the scheme and advised on the appointment of a Quantity Surveyor and Architect.

Impact Housing Association

Impact Housing Association is providing financial advice and project management.

The Homes and Communities Agency (HCA)

The Homes and Communities Agency are providing support and advice in choosing architects and employer's agents and development partners, and are also advising regards the new housing grant prospectus terms and conditions including the bids to the Community Right to Build fund.

Cumbria Rural Housing Trust (CRHT).

The Cumbria Rural Housing Trust have supported the work of KCHT since inception through the support of their Community Land Trust (CLT) Officer, Andy Lloyd. We envisage this support continuing throughout the development phase.

Hands on Help for Communities

David Brettell of Hands-on-Help for Communities provided the initial link to the CLT fund and National CLT Network.

Cobbetts Solicitors.

Housing specialists Cobbetts Solicitors who work with the Housing Association sector and support the CLT network set up KCHT as an Industrial Provident Society and secured exempt charitable status for KCHT.

Anthony Collins Solicitors

Sarah Lines of Anthony Collins Solicitors is advising on KCHT's aspiration to raise funds through this Community Investment Share issue and will provide further legal advice as and when it is needed.

The CLT Fund and The Tudor Trust

The Tudor Trust manages the Technical Assistance Fund (TAF) which is one of three aspects of the CLT Fund. KCHT was very pleased to receive the TAF set-up grant to cover early legal and development costs.

Other organisations which have given financial support to date:-

Keswick Quakers
Borrowdale with Grange Parochial Church Council
Keswick Methodist Church
Keswick Lions

CONTINGENCIES AND RISKS

Risk	Control measure
Unexpected ground conditions	The architect has commissioned all usual surveys.
Site purchase cost exceeding budget	The purchase price of £110,000 (£10,000 per plot) has been agreed and is being formalised through an option to buy.
Site access cost	Access has been agreed with Highways and Derwent & Solway HA are agreeing Rights of Way with KCHT.
Professional fees exceeding budget	KCHT has secured acceptable consultant fees through competitive tender guided by Housing Associations and the HCA.
Contractor bankruptcy or build costs exceeding budget	Donleys QS and Impact HA are managing the competitive tenders ensuring financial checks and HCA value for money criteria are met. Contractors have tendered on a design & build basis with a view to fixing costs.
Lack of development finance	The CLT Officer has had discussions with several lenders who have expressed an interest in providing development finance for KCHT. These include: Charity Bank, Unity Trust Bank, Triodos Bank, Ecology BS.
Inability to fill rented properties	Numbers on current housing waiting lists far exceed the number of properties KCHT will be providing. KCHT has also structured the cost of its homes to be affordable on a range of

	low to middle incomes.
Low uptake on Shared ownership sales	We are confident that there are a large number of middle-income households in the Keswick area who are currently unable to afford open market housing but who could afford shared ownership. The shared ownership is also structured to be available to a range of households offering shares of 45%, 60% and 75%.
Availability of shared ownership mortgages	KCHT will direct prospective purchasers to building societies willing to lend on CLT shared ownership as identified by Impact HA and the CLT Network. However the availability of mortgages is also likely to depend on the willingness of LDNP to work with lenders regarding the conditions within the 106 Agreement.
Local occupancy home	<p>Sale - The Keswick household income pool is felt to be sufficiently large to sell one local occupancy home. Impact HA advised a conservative value of £240,000 for a high quality 3 bed home. A high probable discount of 20% has been applied to this.</p> <p>Location – Keswick is viewed as a location which is insulated against downturns in house prices.</p> <p>Scheme quality – the scheme layout and location within Keswick with green spaces and mix of housing costs is thought to represent a highly attractive offer.</p>

QUESTIONS YOU MAY WANT TO ASK

Won't the town will be swamped with applications from outside the area?

The criteria for allocating the houses will limit their availability to people who belong to Keswick or who work here but who at present cannot afford to stay here.

Will the visual character of the town disappear under a large quantity of poorly built social housing?

The character of the town will continue and improve as a small number of well-built and compatible houses of various sizes are added to it.

Won't local services collapse under the strain of coping with new residents?

Local services will continue and even improve because of the existence of an available workforce remaining in the community. Moreover, additional Council Tax will be collected from the new households.

Affordable housing can't work - what happens when the house is sold on?

KCHT are working to ensure that the affordability of the homes we provide is placed in perpetuity as part of a binding contract for all present and future owners or tenants of a property.

FURTHER INFORMATION AND SUPPORTING DOCUMENTS

For case studies of similar initiatives, see:

<http://lyvennetcommunitypub.com>

<http://communityShares.uk.coop>

Our governing documents and the full Business Plan for the St John's development are available on request.

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KESWICK

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APPENDIX A

Keswick Community Housing Trust Incorporation & Objectives

Community Land Trust specialists, Cobbetts Solicitors, were employed to draw up the model Rules for KCHT which provide an asset lock and democratic structure with membership balanced equally between residents, members of the community and stakeholders.

KCHT was then established as an Industrial Provident Society (IPS), with exempt charitable status, which conforms to the definition of a Community Land Trust contained in The Housing Regeneration Act 2008.

The Society's Objects are described at A2 in the Rules as:

The Society is a Community Land Trust formed for the benefit of the local community as defined by Section 79 of the Housing and Regeneration Act 2008. Its objects shall be to carry on for the benefit of the local community of the specified area of **Keswick** the business of acquiring, holding, developing and leasing land and property for permanently affordable housing and asset based community development and the business of securing the maintenance, improvement and creation of

- Amenities for the local community; and
- The well-being of those who live and work, or want to live and work, in the local community and,
- To enable people to build thriving, inclusive communities through the democratic ownership and stewardship of land and other assets.

The Society shall seek in the delivery of its objects to acquire and retain interests in land and property within the area of the local community and to actively manage such ownership to

- Retain asset value for the benefit of the local community and ensure that the assets are not sold or developed except in a manner which the Society's members think benefits the local community,
- Maximise asset value for the benefit of the local community, and
- Recycle any gains made in dealing with the assets for the benefit of the local community.

APPENDIX B

The Community Investment Share Issue

Community Investment Shares are Shares issued for a community purpose. The concept has been developed through a joint initiative of the Development Trusts Association and Co-operativesUK with support from the Department for Communities and Local Government and the Cabinet Office. We have adopted principles which they have established for Share offers of this kind. The words “Community Investment Shares” do not, however, have any legal meaning and your rights if you buy Community Investment Shares in KCHT are those set out in this part of our offer document.

The Community Investment Shares we are issuing are Capital Funding Shares issued by the Board as permitted by our constitution. The terms which the Board has approved for the Shares are as follows:

1. The value of the Shares is £1.
2. The Shares can only be bought and held by members of KCHT who are at least 18 years of age or are a corporate body or firm. They are not transferable.
3. No voting rights attach to the Shares.
4. The minimum purchase of Shares is £250 and the maximum is £20,000.
5. Unless extended by the Board, this offer is open from 21 June to 31 July 2012
6. Because KCHT is an exempt charity there is no interest, bonus or dividend payable on the Community Investment Shares.
7. The Shares are withdrawable with effect from the third anniversary of the date on which the proposed development has reached practical completion subject to the following conditions:
 - 7.1. Applications to withdraw Shares will be made on a form to be approved by the Board. The form will set out the timetable and procedure to be adopted by the Board in deciding whether to permit withdrawals and in deciding where necessary which withdrawals to permit;
 - 7.2. All withdrawals must be funded from trading surpluses and are at the discretion of the Board having regard to the long term interests of KCHT, the need to maintain prudent reserves and the society’s primary commitment to community benefit;
 - 7.3. The Board will not permit more than 10% of the total value of the Shares issued to be redeemed in any financial year.
8. In the unlikely event of the solvent dissolution or winding up of KCHT, holders of the Shares will have no financial entitlement beyond repayment of paid-up Share capital.

Further extracts from the Rules of Keswick Community Housing Trust:

- A2 KCHT is formed for the benefit of the community to operate as a Community Land Trust primarily in Keswick (the “**area of benefit**”). Its objects shall be to carry on for the benefit of the community:
- A2.1 the business of providing social housing, housing, accommodation, and assistance to help house people and associated facilities and amenities for poor people or for the relief of aged, disabled, handicapped (whether physically or mentally) or chronically sick people on terms appropriate to their means; and
 - A2.2 any other charitable object that can be carried out by an Industrial and Provident Society.

Non-profit

- A3 KCHT shall not trade for profit.
- A4 Save as expressly provided in these rules nothing shall be paid or transferred by way of profit to Shareholders of KCHT.

Admission of community investment Shareholders

- C22 The Board shall determine when and how to issue community investment Shares in accordance with any policy it derives on the same, but shall not offer any right to interest, dividend or bonus in connection with the same.
- C23 The Board shall set the terms on which community interest Shares may be issued.

- C24 A person, incorporated body or nominee of an unincorporated association shall become a community investment Shareholder upon KCHT providing a Share certificate in respect of the Shares issued. At that time the community investment Shareholders' details shall be entered into KCHT's register of Shareholders.
- C25 A community investment Share may be held jointly.
- C26 KCHT will send correspondence, notices and the Share certificate only to the first person named in KCHT's register of Shareholders, unless that person gives KCHT different written instructions.
- C27 A community investment Share cannot be sold or transferred to any other person.

Ending of a community investment Shareholding

- C28 Subject to rules C31 – C35 a community investment Shareholder may withdraw their community investment Shares. In the case of joint Shareholders all of them must sign an application to withdraw the Share unless KCHT has previously received written notification of a different arrangement.
- C29 A community investment Shareholder may surrender all their Shares and end their Shareholding. On surrender KCHT may (but does not have to) pay some or all of the money paid for the Shares.
- C30 A community investment Shareholder's right to withdraw their Share(s) may be suspended in whole or in part by KCHT in accordance with rules C36-C40.

Terms and method of withdrawal of community investment Shares

- C31 The board will set the terms of the notice period for withdrawal but where no notice period has been given it shall be 180 days subject to rule C33 to C35.
- C32 A withdrawal notice can be served on or any time after the third anniversary of the community investment Shares being issued or such other period as the board sets at the time of issue.
- C33 All withdrawals shall be in the order in which the notices are received by KCHT;
- C34 When community investment Shareholders apply to withdraw their Shares they will need to:
 - C34.1 complete a withdrawal notice (as set out by KCHT board);
 - C34.2 comply with any procedures KCHT's board may set; and
 - C34.3 produce evidence of identity.

Reduction in value of community investment Shares and/or suspension of right of withdrawal

- C35 KCHT may reduce the value of the community investment Shares and/or suspend the right of withdrawal but will only do so where KCHT's liabilities (plus issued Share capital) become more than KCHT's assets. This shall be determined by the Board after having taken appropriate financial advice and having obtained a financial report from a suitably qualified accountant or auditors.

Death of community investment Shareholder

- C36 On the death of a community investment Shareholder holding a Share in their own name but not exceeding the value of £5,000, KCHT will do one of the following:
 - C36.1 transfer the community investment Shares to the registered nominee; or
 - C36.2 in the absence of a registered nominee, transfer the community investment Shares to a personal representative who has proof of the grant of probate or letters of administration; or
 - C36.3 in the absence of a registered nominee or personal representative as described in C36.1 and C36.2 above, KCHT may transfer the Shares to the person who seems to KCHT (acting in its absolute discretion) to have a legal right to the community investment Shares.
- C37 On the death of a community investment Shareholder holding a Share in their own name where the value exceed £5,000, rule C36 will apply to the first £5,000 worth of Shares but thereafter whether or not there is a nominee, KCHT will transfer the remaining Shares to the personal representative upon proof of the grant of probate or letters of administration.
- C38 In the case of joint Shareholders, rules C36-C40 will not apply and unless the joint Shareholders have given KCHT written instructions to the contrary KCHT will treat the surviving owner (or owners) as the only owner of that Share and register that person's name in place of the deceased.
- C39 After KCHT has transferred the deceased's community investment Share to their personal representative, the personal representative may apply to withdraw the Share but cannot exercise any other membership rights for that Share.
- C40 Any person other than a personal representative or trustee in bankruptcy to whom Shares are transferred under rules C36-C40 will have all the Shareholding rights previously enjoyed by the community investment

Shareholder. The total combined Shareholding for such a person must not exceed the maximum value allowed by law.