

EAST AYRSHIRE COUNCIL**EMERGENCY POWERS COMMITTEE****MINUTES OF MEETING HELD ON THURSDAY 16 SEPTEMBER 1999 AT
1600 HRS IN THE MEETING ROOM, COUNCIL HEADQUARTERS,
LONDON ROAD, KILMARNOCK**

PRESENT: Councillors Drew McIntyre, Eric Jackson, Harry Wilson and Provost Jimmy Boyd.

ATTENDING: David Montgomery, Chief Executive; Roddy Wallace, Head of Administration; Robert Paton, Head of Economic Development; Gerry McMenemy, Solicitor; and James Lally, Senior Administrative Officer.

APOLOGIES: Councillors Daniel Coffey, Douglas Reid and Jimmy Kelly.

CHAIR: Councillor Drew McIntyre, Chair.

EXCLUSION OF PRESS AND PUBLIC

1. The Committee resolved that under Section 50A(4) of the Local Government (Scotland) Act 1973, as amended, the Press and public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 6 of Schedule 7A of the Act.

**TRANSFER OF LOAN FUNDING TO CUMNOCK COMPANY
(Item 2, Page 334, 99/02)**

2. There was submitted a report dated 8 September 1999 (circulated) by the Director of Development Services seeking approval to transfer loan funding liability of the existing company to the new operating company and agreement to postpone the Council's security ranking to that of the Bank of Scotland.

The Solicitor/Team Leader explained that the transfer of loan funding liability approved in favour of the Cumnock company agreed by the Emergency Powers Committee held on 14 September 1999 could not proceed unless the new operating company obtained working capital pending completion of the Bank mortgage and that in order to facilitate this the Administrator had offered to fund the interim working capital on condition that his security would be identical to that of the Bank's security, ie a First Ranking security.

It was agreed with regard to the transfer of loan funding liability approved in favour of the Cumnock company, that the Administrator of the company should be entitled to take a First Ranking Standard Security over the company's heritable property subject to the undernoted conditions, viz:-

- (i) that it is limited to the value of any working capital advanced by the Administrator pending completion of the Bank's mortgage;
- (ii) that it does not exceed the level of the Bank's Security; and
- (iii) that the Administrator grants a discharge of the Standard Security at or prior to completion of the Bank's Standard Security.

It was further noted that once the Administrator's Standard Security has been discharged the Bank would have sole First Ranking Security over the heritable property.

The meeting terminated at 1607 hrs.