

**LOCAL CAPITAL  
FINANCE COMPANY**  
The UK's new municipal bond agency

Ian Floyd  
Director of Customer and  
Business Support Services  
City of York Council

12 September 2014

Dear Ian,

**Municipal Bonds Agency – Phase 1 Investment**

Reference: [mail@locfin.co.uk](mailto:mail@locfin.co.uk) Monday 04/08/2014 16:18

Thank you for agreeing to invest £40,000 in phase one of the Municipal Bonds Agency equity raise.

On 4 August 2014 we advised that, because we had raised significantly more phase one equity than needed to deliver mobilisation, the project board had decided not to draw down the full phase one investment at this stage (Reference). Unless you had already submitted your investment therefore, we asked you to delay making a payment until you had heard from us what your share would be.

The extended deadline for committing to an investment in phase one passed on 31 August and at a meeting on 12 September the project board agreed to an initial drawdown of 40% of the phase one equity raised.

As a result of this decision, I should be grateful if you would submit your payment of £16,000 by 30 September 2014 using the form attached along with your subscription agreement (if not already submitted) and the attached amendment to the subscription agreement. This amendment is required to provide the legal basis for a staged draw down of the equity and for the issuing of shares in equivalent batches. The balance will be due for payment by the end of the year and guidance on the process for this will be issued nearer the time.

Yours sincerely



Michael Lockwood  
Director  
Local Capital Finance Company Limited

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Director: Michael Lockwood