



**5-YEAR FIXED TERM BOND (WITH BONUS)
FOR THE FINANCING OF THE BIG LEMON COMMUNITY INTEREST COMPANY**

These terms and conditions are the terms and conditions for the issuance of a 5-year fixed term Bond with bonus (“the Bond”) to finance the below defined Project(s) by The Big Lemon CIC (“the Company”) which may be subject to change.

1. THE COMPANY

<p>The Company</p>	<p>THE BIG LEMON C.I.C</p> <p>Registered Office: Office 3 Protran House, Boundary Road, Black Rock, Brighton, East Sussex, BN2 5TJ</p> <p>Company Number: 06045786</p> <p>The Big Lemon is a Community Interest Company based in Brighton & Hove operating local bus services, bus & coach hire, day trips, music festival coaches and a programme of Sunday walks and walking holidays. The Company mission is to enable everyone to get around their communities in an affordable, enjoyable, and environmentally-sustainable way, and in 2017 the Company launched the UK’s first solar-powered electric bus.</p> <p>The Company’s vision is that by 2030 every community in the UK has access to affordable, sustainable transport, using zero-emissions vehicles powered by renewable energy and owned by the local community and the Company’s goal for 2018 is to run all its local bus services in Brighton & Hove with electric buses powered by renewable energy.</p>
<p>Officers</p>	<p>DRUITT, Thomas Aaron, Secretary, Appointed on 1 October 2009 BROOKS, Neil, Director, Appointed on 21 December 2013 DRUITT, Thomas, Director, Appointed on 9 January 2007 HARRISON, Frederick John, Director, Appointed on 1 May 2010 MOOKERJEE, Mitali Julia, Director, Appointed on 20 March 2016 TANNER, Ron Director, Appointed on 19 January 2018</p> <p>Correspondence Address for all officers: As company address</p>
<p>Persons with Significant Control</p>	<p>DRUITT, Thomas Aaron</p>

2. THE BOND

<p>Purpose</p>	<p>The Company has recently been awarded a new 4 year contract (with an option for an additional 4 years) for six routes from Brighton and Hove Council. The services are currently been delivered in the short-term using a</p>
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	<p>combination of solar-powered electric, and conventional diesel buses. The company wishes to extend the use of electric vehicles and has been awarded a grant by the Department of Transport of £475,626 towards the cost of 3 fully electric buses that will cost a total of £867,000.</p> <p>This bond will be used towards the remaining value of three electric buses and with up to 10% of the bond value towards associated infrastructure.</p>
Currency	Pounds Sterling (£)
Value	<p>The expected size of this Bond is £405,000 in 4,050 tranches of £100.</p> <p>In line with company requirements the total size of the Bond may be capped at a lower rate. The Bond shall be executed in tranches and each individual tranche shall be counted towards the total with no tranche of the Bond issued by the Company once the total threshold has been reached. If the value of this bond is capped at a lower rate, the company, reserves the right to issue additional bonds at the same or different terms, utilising the same security, up to a total combined maximum of £405,000 across all bonds utilising the security noted herein.</p>
Issue Date	1st January 2018
Minimum and Maximum Investment	<p>The Bond shall be executed in tranches of £100 and the minimum number of tranches purchased per investor is one. The maximum number of tranches that may be purchased by an investor is subject only to the maximum value of the Bond and any previous tranches already issued. The expected maximum number of tranches is 4,050 and the expected maximum value of the Bond is £405,000.</p>
Security	<p>The Bond is secured against 3 new electric buses, with a retail price of £289,000. The security is subject to the terms of grant from the Department of Transport and the vehicles must be held for a minimum of three years before sale. The Security is therefore enforceable after the expiry of the third anniversary of awarding of the grant.</p>
Maturity	<p>This is a 5-year fixed term Bond with the principle repaid on the 5th anniversary of the Issue Date.</p>
Repayment	<p>Coupon payments for interest are payable annually on the anniversary of the Issue Date. No payment of the capital shall be repaid within the 5-year fixed term.</p>
Interest	<p>The coupon is 5% per annum calculated annually from the Issue Date with a 5% bonus payable on maturity.</p>
Fees	<p>There are no fees associated with this bond.</p>
Cancellation and	<p>The Company reserves the rights to cancel this Bond issue for any reason</p>



early closure	prior to execution. The company may reduce the total value of the Bond at any point prior to the maximum Bond value being reached. The reduction in value of the Bond shall not affect in any way any tranches of the Bond that have already been issued and or executed.
Assignment and Transferability	The investor is not allowed to assign or transfer any of the rights or obligations in relation to this Bond.

3. ASSURANCES & LIABILITY

Professional Advice	Investors should take professional advice as this investment may not be suitable for everyone.
Company Liability	The Company's liability shall be limited to the repayment of the principle amount, the 5% annual coupon payments and the 5% bonus payable at the timetable defined in these terms and conditions.

4. UNDERTAKINGS AND LAW

Financial Covenants	<p>Principle Reserve Account ("PRA"): The Company agrees to hold a combined PRA across all bonds issued to incrementally hold the principle repayment due in year 5. The Company shall maintain an account to a minimum of £100,000 in year two, £200,000 in year 3, £300,000 in year 4, and £400,000 in year 5.</p> <p>Dividend/distribution lock up: If the Company is unable to maintain the level of value on the PRA as noted then no dividends shall be paid to the shareholders of the Company, until the value of the PRA has reached the required level.</p>
Non-Financial Covenants	<p>All bond holders shall have the right to attend the annual general meeting and shall be invited with reasonable notice to their registered email address.</p> <p>All bond holders will automatically be provided with electronic copies of all financial reports of the company to their registered email address.</p>
Governing Law and Jurisdiction	This Bond is issued in accordance with the Laws of England and Wales.

Subscriber to Bond

I hereby acknowledge acceptance of these terms and conditions for my subscription to this bond.

Name:

Address:

Signed:

Date: