

Your ref:
Our ref:

26 October 2005

Mr F McMorrow
Corporate Director
Copeland Borough Council
Council Offices
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RPH/PAW

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VIA E-MAIL

Dear Fergus

CUMBRIA INWARD INVESTMENT AGENCY LIMITED

Thank you for your time on 14 October and the opportunity to discuss Copeland's approach to CIIA constructively and frankly.


The County Council is still keen to acquire your share in CIIA so that we can convert it into a wholly owned subsidiary. Our principal intention is to simplify the management structure of the Company and remove the uncertainty caused when other District Councils have questioned the value of CIIA whilst maintaining the role and face of the organisation.

I have discussed the position we reached last week with Tim Heslop. He welcomed the opportunity of coming to a mutually acceptable view. The proposal is:

- 1 that the County Council will acquire all the outstanding shares in the Company;
- 2 that we will restructure the Board with five County Councillors (I would hope on a politically proportionate basis) and up to three private sector representatives from those organisations providing funding;
- 3 that CIIA Ltd should act as the core of Cumbria Vision's marketing operation;
- 4 that CIIA inward investment activities will be aligned to delivery needs identified in Cumbria Vision's business plan and the West Cumbria Masterplan (as well as similar documents with other parts of the County), subject to the available resources;
- 5 that CIIA will be happy to delivery specific additional programmes of work if Copeland BC (or other organisations) wish to make a contribution;
- 6 that the intellectual property built up by the Company will be retained and kept available for the benefit of Cumbria as a result of the County Council's decision to become a sole shareholder of the Company.

I hope that Copeland will find these proposals acceptable. Please let me know if you would like any further clarification. I look forward to receiving confirmation that Copeland is now willing to transfer their share to us at face value.

Yours sincerely

A handwritten signature in cursive script that reads "R. Howard." The signature is written in dark ink and is positioned above the typed name.

Ralph Howard
Corporate Director – Economy, Culture and Environment