



Response to Request for Information

Reference FOI 061563
Date 15 June 2015

LOBO Loans

Request:

For each of the Lender Option, Borrower option (LOBO) loans Wolverhampton Council currently has on its books, and for any historical LOBO loans, please provide:

- 1) Loan principal? See table below
- 2) Maturity date? See table below
- 3) Trade date when the loan was signed? See table below
- 4) Initial interest rate? See table below
- 5) Current stepped-up interest rate and step-up date where applicable? See table below
- 6) Any formula or structure determining the interest rate where applicable? See table below
- 7) The first LOBO option call date? See table below
- 8) The LOBO option call frequency? See table below
- 9) Day count convention used for calculation of interest payments? See table below
- 10) The original broker of the loan and fee paid? See table below
- 11) Broker and fee paid for any subsequent restructuring? See table below
- 12) The relevant bank or financial institution(s) which issued each LOBO loan? See table below.
- 13) The name of the Treasury Management Advisor who advised on each LOBO loan? Following reasonable enquiries, it has been established that the Council does not hold the above requested information as we do not record the details of advisers on file. Consequently, we are unable to provide any information relating to the above, and are informing you as required by Section 1(1) (a) of the Freedom of Information Act 2000 ("The Act"), that states:

"Any person making a request for information to a public authority is entitled to be informed in writing by the public authority whether it holds information of the description specified in the request".

- 14) Where available, the original un redacted LOBO loan contracts.
In response to your request please find attached copies of the original LOBO loan contracts.

[NOT PROTECTIVELY MARKED]

In respect of information relating identities and contact details of lender employees and also signatures of all involved, involved in this process, the Council considers that this meets the definition for personal data set out in Section 1(1) of the Data Protection Act 1998 ("DPA") as:

"data which relate to a living individual who can be identified - (a) from those data, or (b) from those data and other information which is in the possession of, or is likely to come into the possession of, the data controller and includes any expression of opinion about the individual and any indication of the intentions of the data controller or any other person in respect of the individual"

The Council thus considers that the requested information is caught by the exemption to disclosure contained in Section 40 (2) of the Act and the related first condition of Section 40 (3).

To explain further, a disclosure made under the provisions of the Act is judged to be a disclosure to the wider world and here the Council must consider disclosure of personal information in line with the provisions of the DPA.

In this instance it is judged that the personal information relating to individuals involved is being processed by the Council for the purposes of loan arrangement and not for any wider disclosure purposes.

Individuals involved, with the exception of named senior Council officers would also have no reasonable expectation that their details would be disclosed to the world-at-large.

Any disclosure of this information would be judged in this instance to breach DPA principles, notably the first principle – that of fair and lawful processing and the second principle-that of processing for specified and not-incompatible purposes. The information has therefore been redacted.

Certain agreements also contain lender bank account details which have, been redacted.

The Council will not be making disclosure and is of the view that the disclosure of this information would be likely to prejudice the commercial interests of and individual lending organisations taking part in the process, exposing them to the danger of financial fraud and that Section 43 (2) of the Act is engaged, where disclosure would, or would be likely to prejudice the commercial interests of any person.

In applying this exemption the Council has balanced the public interest in withholding the information against the public interest in disclosure.

In the case of the above cited information, the Council considers that the public interest in withholding this information to protect the integrity of lending organisations financial security outweighs the benefits of demonstrating openness and transparency of process.

Responses to Q1 - 12
Please see the table below.

Financial institution	Loan principal	Maturity date	Date signed	Initial interest rate	Current stepped-up interest rate and date	Formula or structure determining the interest rate where applicable	First LOBO option call date	LOBO option call frequency	Day count convention used for calculation of interest payments	Original broker and fee paid	Restructure broker and fee paid
Current LOBO loans											
Rhelhyp Bank Europe PLC	4,000,000.00	23/05/2066	23/05/2002	4.25%	4.95% 23/05/2006	N/A	23/05/2005	6 monthly	365 day year and actual days	Tradition £9,600	ICAP £9,800
Barclays Bank PLC	5,000,000.00	26/07/2066	21/01/2003	3.25%	4.26% 24/07/2006	N/A	24/01/2006	6 monthly	365 day year and actual days	Tradition £12,000	ICAP £10,000
Barclays Bank PLC	5,000,000.00	29/01/2066	28/01/2003	2.75%	4.29% 30/01/2006	N/A	30/01/2006	6 monthly	365 day year and actual days	Tradition £11,992	ICAP £10,000
Barclays Bank PLC	3,000,000.00	04/07/2066	30/04/2003	1.75%	4.40% 04/07/2006	N/A	04/07/2005	6 monthly	365 day year and actual days	Martin Brokers £7,200	ICAP £5,000
Barclays Bank PLC	2,300,000.00	30/03/2066	14/01/2004	3.50%	4.58% 30/03/2007	N/A	30/03/2007	6 monthly	365 day year and actual days	Tradition £5,524	ICAP £8,580
Barclays Bank PLC	2,500,000.00	28/04/2066	14/01/2004	3.50%	4.58% 28/04/2007	N/A	28/04/2007	6 monthly	365 day year and actual days	Tradition £5,992	ICAP £9,000
Danske Bank AS	5,000,000.00	30/06/2066	03/03/2004	3.37%	4.63% 30/06/2007	N/A	30/06/2007	6 monthly	Actual 365 fixed	Martin Brokers £12,000	ICAP £6,000
Barclays Bank PLC	5,000,000.00	28/02/2066	06/02/2004	3.40%	4.58% 30/08/2007	N/A	30/08/2007	6 monthly	365 day year and actual days	Martin Brokers £12,000	ICAP £3,750
Barclays Bank PLC	5,000,000.00	28/04/2066	12/02/2004	3.40%	4.58% 28/10/2007	N/A	28/10/2007	6 monthly	365 day year and actual days	ICAP £9,000	ICAP £12,750
Danske Bank AS	5,000,000.00	01/12/2066	18/05/2004	3.99%	4.81% 01/12/2007	N/A	01/12/2007	6 monthly	Actual 365 fixed	Martin Brokers £9,000	ICAP £6,000
Barclays Bank PLC	5,000,000.00	23/05/2066	23/08/2004	3.50%	4.78% 23/05/2008	N/A	23/05/2008	6 monthly	365 day year and actual days	Martin Brokers £9,000	ICAP £3,750
Barclays Bank PLC	5,000,000.00	15/06/2066	23/08/2004	3.50%	4.78% 15/06/2008	N/A	15/06/2008	6 monthly	365 day year and actual days	Martin Brokers £9,000	ICAP £3,750
Barclays Bank PLC	5,000,000.00	04/07/2066	23/08/2004	3.50%	4.78% 04/07/2008	N/A	04/07/2008	6 monthly	365 day year and actual days	Martin Brokers £9,000	ICAP £3,750
DEPFA ACS Bank	7,000,000.00	10/04/2066	06/10/2004	3.37%	4.60% 10/10/2007	N/A	10/10/2007	6 monthly	Actual 365 fixed	Prebone Marshall Yamane £12,600	ICAP £10,500
Barclays Bank PLC	7,000,000.00	13/04/2066	11/10/2004	3.37%	4.58% 13/10/2007	N/A	13/10/2007	6 monthly	365 day year and actual days	ICAP £12,000	ICAP £3,750
Barclays Bank PLC	2,000,000.00	05/06/2066	30/11/2004	3.12%	4.39% 05/12/2007	N/A	05/12/2007	6 monthly	365 day year and actual days	ICAP £3,600	ICAP £8,600
Barclays Bank PLC	5,000,000.00	15/02/2066	03/05/2005	3.15%	4.39% 15/08/2008	N/A	15/08/2008	6 monthly	365 day year and actual days	ICAP £9,000	ICAP £10,000
Barclays Bank PLC	5,000,000.00	15/03/2066	03/05/2005	3.15%	4.39% 15/09/2008	N/A	15/09/2008	6 monthly	365 day year and actual days	ICAP £9,000	ICAP £10,000
Eurohypo Europäische Hypothekenbank SA	7,000,000.00	31/05/2066	20/12/2005	3.60%	3.60% 31/05/2006	N/A	31/05/2009	5 yearly	365 day year and actual days	ICAP £12,600	-
Eurohypo Europäische Hypothekenbank SA	7,000,000.00	31/07/2066	20/12/2005	3.60%	3.60% 31/07/2006	N/A	31/07/2010	5 yearly	365 day year and actual days	ICAP £16,800	-
Barclays Bank PLC	7,000,000.00	31/10/2066	04/01/2006	3.60%	3.60% 31/10/2006	N/A	30/04/2011	5 yearly	365 day year and actual days	ICAP £16,800	-
Historical LOBO loans											
Barclays Bank PLC	7,000,000.00	29/10/2007	27/10/2005	3.74%	N/A	N/A	28/10/2007	5 yearly	365 day year and actual days	ICAP £8,400	-

Addendum to FOI Request

Historical Public Works Loan Board (PWLB) rates can be accessed on the UK Debt Management Office website. For comparison purposes a PWLB maturity loan at the end of May 2002 with a term of 50 years plus attracted an interest rate of 5.38%. This is considerably more than the LOBO loan the Council secured at this time with a rate of 4.25% (rising to 4.95%). Assuming that the LOBO is not called, over the term of the loan the Council will save approximately £1 million for the council tax payers of Wolverhampton.

The table below provides a summary of the LOBOs taken out by the Council with the current corresponding interest rate ranges. In addition there is a comparison with the PWLB rates that were available at the time of signing the LOBO agreements. It can be seen, that the current LOBO loan rates are still lower than the PWLB rates on offer at that time.

Loan type	Total loans raised £m	Financial year loan received	Current interest rate range %	PWLB loan rate range at time of taking LOBO %
LOBO - for longer term loans currently 60+ years	14.0	2002 / 03	4.2600 - 4.9500	4.5000 - 5.3800
	5.3	2003 / 04	4.4000 - 4.5800	4.7000 - 4.8000
	38.5	2004 / 05	4.3900 - 4.8100	4.5500 - 5.0000
	25.0	2005 / 06	4.3900 - 4.7800	4.6000 - 4.8000
	21.0	2006 / 07	3.6000	4.0000 - 4.0500

WOLVERHAMPTON CITY COUNCIL
LOAN INSTRUMENT NUMBER 2002-01

Rheinhyp
LORO ①

Wolverhampton City Council ("the Council") acknowledges that, in connection with the provision of funds to the Council, payments and repayments are due from the Council in accordance with this Loan Instrument.

REGISTERED HOLDER: RHEINHYP BANK EUROPE PLC/DUBLIN

AMOUNT OF PRINCIPAL BORROWED:)	£4,000,000.00
PRINCIPAL REPAYMENT DATE(S):)	23 May 2042
AMOUNT(S) OF PRINCIPAL TO BE REPAID ON PRINCIPAL REPAYMENT DATE(S):)	£4,000,000.00
INTEREST COMMENCEMENT DATE:)	23 May 2002
INTEREST PAYMENT DATES:)	23 November 23 May
INTEREST RATE/ METHOD OF CALCULATING INTEREST:)	The rate is fixed @ 4.25% to 23.05.2005 and then 5.10% to maturity with interest paid gross semi-annually to include leap year's interest. By giving two days' prior notice to 23.05.2005 and six monthly thereafter, the lender only has the option to change the rate. The borrower then has the option to accept or repay without penalty. However, if accepted this becomes the new benchmark rate and does not prejudice the lender's option being exercised again.

-
- A The amount of principal borrowed is repayable by the Council to the Registered Holder in the amount(s) and on the principal repayment date(s) specified above.
- B Interest is payable by the Council to the Registered Holder on the interest payment dates, calculated from the interest commencement date at the interest rate and in accordance with the method of calculating interest specified above.
- C The rights of the Registered Holder under this Loan Instrument are transferable by the Registered Holder by means of an instrument in writing in accordance with the Stock Transfer Act 1963 delivered to the Council and the Council shall acknowledge and register any such transfer.

- D This Loan Instrument is also subject to the following further terms and conditions:-
- D1 If any payment date should fall on a day which is not a business day it shall be postponed to the next following business day, unless it would fall in the next calendar month, in which case it shall be the next preceding business day.
- D2 (1) Subject to paragraphs (3) and (4) below, all interest payments shall be made by and made payable to the holder of this Loan Instrument and sent to the address which is entered on the Register of Loans maintained by the Council as the mandate of the person to whom payments are due.
- (2) Before making any payments in respect of the principal amount, the Council, or as the case may be, the Registrar may require the production of:-
- (a) this Loan Instrument;
 - (b) the certificate issued by the Council, or as the case may be, the Registrar, containing the matters stated in the entry relating to this Loan in the Register of Loans and its serial number or other means of identifying the entry;
 - (c) instructions for payment; or
 - (d) such indemnity as the Council, or as the case may be, the Registrar consider appropriate.
- (3) Subject to paragraph (4) below, where two or more persons are jointly entitled to a payment in respect of this Loan Instrument, the payment shall be made to the person whose name or description is first mentioned in the Register in the case of this Loan.
- (4) The Council, or as the case may be, the Registrar may make a payment by a different means if requested by the holder of the Loan Instrument to do so, or if two or more persons are jointly entitled to a payment, if so requested by all those persons.

**Wolverhampton City Council ("the Council")
Certificate of particulars of loan**

This is to certify pursuant to regulation 9(7) of the Local Authorities (Borrowing) Regulations 1990 (as amended) that the Register of Loans maintained by the Council contains the following particulars in respect of money borrowed by the Council by means of Loan Instrument number 2002-01 as referred to in the Register:

Name or description of person to whom payments/repayments are due:

RHEINHYP BANK EUROPE PLC

Address of person to whom payments/repayments are due:



Amount of principal:

£4,000,000.00

Principal Repayment Date(s))
Principal amount(s) to be repaid)
on (the) (each))
Principal Repayment Date)
Interest Payment Dates)

23 May 2042
£4,000,000.00
23 May 2042
23 November
23 May

Interest amounts (or method of calculating the same) to be paid on each Interest Payment Date)

The rate is fixed @ 4.25% to 23.05.2005 and then at 5 10% to maturity with interest being paid gross semi-annually to include leap year's interest. By giving two days' prior notice to 23.05.2005 and six monthly thereafter, the lender only has the option to change the rate. The borrower then has the option to accept or repay without penalty. However, if accepted, this becomes the new benchmark rate and does not prejudice the lender's option being exercised again.

If this Certificate of Particulars of loan is defaced, lost or destroyed the Registrar may, on receipt of such evidence and indemnity as he may require and surrender of the Certificate in a case where it is defaced, issue a replacement.

EXECUTED on behalf of

By

Authorised Signatory

B Bailey

Co-ordinating Director for Finance and Physical Resources

Form of Loan Instrument

LOCAL AUTHORITY LOAN INSTRUMENT CERTIFICATE NUMBER 2003/1

Wolverhampton City Council ("the Council") acknowledges receipt of the loan on the terms specified in the Schedule below and subject to the Conditions endorsed in this certificate.

THE SCHEDULE

REGISTERED HOLDER: BARCLAYS BANK PLC

AMOUNT OF PRINCIPAL: £5,000,000. (Five Million Pounds).

DATE ACCEPTED: 20th January 2003.

DATE OF DRAWDOWN: 24th January 2003.

INTEREST: Interest on the Principal shall accrue at: -

a) 3.25% per annum during the period from 24th January 2003 to but excluding 24th January 2006 and thereafter at 4.50% per annum;

or,

b) (if the Bank notifies the Council not less than two Business Days prior to any Lender's Option Date) at the rate so notified with effect from such Lender's Option Date.

Interest being payable in arrears on 24th January and 24th July in each year. In the event that any date on which interest is due to be paid hereunder is not a Business Day, then such interest shall be paid on the next Business Day unless that Business Day is in the following month in which case such interest shall be paid on the Business Day immediately preceding such interest payment date.

DATE OF REPAYMENT OF PRINCIPAL: 26th January 2043.

AMOUNT OF REPAYMENT OF PRINCIPAL: £5,000,000. (Five Million Pounds).

¹
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CONDITIONS:

1. The amount of this Loan Instrument is acknowledged to be a debt payable to the Registered Holder by the Council.
2. Interest is payable from the date of drawdown on the face of this Loan Instrument, shall accrue from day to day and shall be calculated on the basis of a year of 365 days (or on such other day count basis as the Bank considers is consistent with the then applicable market practice) and the actual number of days elapsed. Interest shall be remitted in cleared funds on the dates specified in the above Schedule to the Registered Holder's nominated bank account.
3. Payment default of any part of any sum due under this Loan Instrument shall entitle the Registered Holder to call for immediate repayment of the Principal together with all interest then accrued and together with any broken funding and associated financing costs thereby incurred arising from the early termination of the funding and associated financing arrangements for this loan including, for the avoidance of doubt, any costs and expenses incurred in connection with any associated swap arrangements.
4. All payments required to be made by the Council hereunder shall be calculated without reference to any set-off or counterclaim and shall be made free and clear of and without any deduction for or on account of any set-off or counterclaim.
5. The debt acknowledged by this Loan Instrument is fully transferable in whole or in part by the Registered Holder by an instrument in writing in accordance with the Stock Transfer Act 1963 delivered to the Council who shall acknowledge and register any such transfer. In the event of a transfer of part of the debt acknowledged by this Loan Instrument, the Council will issue a Loan Instrument to the Registered Holder for the debt under this Loan Instrument as reduced by the amount transferred and will issue a new Loan Instrument to the transferee on the same terms set out in this Loan Instrument for an amount equal to the debt transferred by the Registered Holder. Further, the Council will give effect to and conform to any registration requirements imposed by virtue of statute, practice or otherwise and will provide the Registered Holder with any relevant documentation within the time period imposed by the statute, practice or otherwise.
6. This Loan Instrument is redeemable by remittance of cleared funds to the Registered Holder's nominated bank account on the date for repayment of Principal specified in the above Schedule or on the date for prepayment in accordance with condition 7 below.
7. If the Registered Holder notifies the Council by not less than two Business Days prior notice that an increase in the rate of interest will occur on a Lender's Option Date, then the Council may, if it has given the Registered Holder prior written notice to that effect by no later than 5.00pm on the Business Day preceding such proposed increase, prepay without penalty the Principal on the date of such proposed increase, together with accrued interest thereon to the day of

prepayment provided that the Council shall have no such right of prepayment in respect of an increase in the rate of interest from 3.25% per annum to 4.50% per annum occurring on 24th January 2006 as specified in the above Schedule. The Council shall not be entitled to prepay the Principal except at the times and in the manner expressly provided in this Loan Instrument.

8. If the UK moves to the third stage of Economic Monetary Union, the Registered Holder shall be entitled to make such changes to this Loan Instrument as it reasonably considers are necessary to reflect the changeover to the Euro.
9. In this Loan Instrument, the following terms shall have the following meanings:-

“Business Day” means a day (excluding Saturdays) on which the Bank is ordinarily open to effect transactions of the kind contemplated in this Loan Instrument.

“Lender’s Option Date” means the 24th January 2006 and each period of six months thereafter.

EXECUTED on behalf of Wolverhampton City Council on the 21 day of January, 2003.

By:



Authorised Signatory



Authorised Signatory

BARBARA BARNES

Name and Title of
Authorised Signatory

Deputy Director of Finance

Name and Title of
Authorised Signatory

CO-ORDINATING DIRECTOR FOR FINANCE
AND PHYSICAL RESOURCES

Local Authority Unit
54 Lombard Street
London
EC3V 9EX

Tel 020 7699 5000
Fax 0870 242 2754

www.barclays.com

Mr B Bailey
Co-ordinating Director for Finance and
Physical Resources
Wolverhampton City Council
Civic Centre
St. Peter's Square
Wolverhampton
West Midlands
WV1 1RL

BARCLAYS

20th January 2003

Dear Sir

Barclays Bank PLC ("the Bank") has pleasure in confirming the following loan facility that was executed on 20th January 2003 with Wolverhampton City Council ("the Council"):-

- Amount: - £5,000,000. (Five Million Pounds).
- Date of Drawdown: - 24th January 2003.
- Date of Repayment: - 26th January 2043.
- Period: - 40 Years.
- Interest Rate: - (a) 3.25% Fixed per annum during the period from 24th January 2003 to but excluding 24th January 2006 and thereafter 4.50% per annum,
or,
(b) In the event of the Bank exercising its option to increase the rate on any Lender's Option Date, the rate per annum notified to the Council by the Bank prior to such Lender's Option Date.

Please note that the nature of this loan is that the interest rate may increase at a time that you may consider disadvantageous to you.

Interest Payment: - Six monthly, in accordance with the provision of a Loan Instrument in the attached form.

Prepayment: - In the event of any proposed increase in the rate of interest, the Council may prepay the Loan in whole without penalty on the date of such proposed increase

provided that the Council shall have no such right of prepayment in respect of an increase in the rate of interest from 3.25% per annum to 4.50% per annum occurring on 24th January 2006 and not otherwise.

- Terms and Conditions: - In accordance with a Loan Instrument in the attached form.
- Legal Expenses: - Any legal expenses incurred shall be for the account of the Council.
- Conditions Precedent: -
- (a) The original of this Loan Confirmation Letter duly signed on behalf of the Council.
 - (b) Execution of a Loan Instrument in the attached form.
 - (c) A list of authorised signatories of the Council who are able to execute the Loan Instrument.
 - (d) Certified copies of appropriate documents (e.g. Council minutes, Standing Orders) evidencing the power of the signatory to the Loan Instrument to execute such instrument on behalf of the Council.

Please indicate your confirmation of the above terms and your commitment to provide a signed Loan Instrument in the attached form, by signing and returning a copy of this letter by fax (0870 242 2754) with the original to follow by post.

Yours faithfully,

[Redacted signature area]

For & on behalf of
Barclays Bank PLC

- (a) I confirm acceptance of a loan, the terms of which shall be in accordance with this letter.
- (b) I confirm that the Council will execute a Loan Instrument in the attached form.

Signature

[Redacted signature]

Date 21/01/07

Print Name BRIAN BAILEY

Position _____

For & on behalf of Wolverhampton City Council

CO-ORDINATING DIRECTOR FOR FINANCE
AND PHYSICAL RESOURCES

PUBLIC DISCLOSED COPY

Mr B Bailey
Co-ordinating Director for Finance and
Physical Resources
Wolverhampton City Council
Civic Centre
St. Peter's Square
Wolverhampton
West Midlands
WV1 1RL

Local Authority Unit
54 Lombard Street
London
EC3V 9EX
Tel 020 7699 5000
Fax 0870 242 2754
www.barclays.com

BARCLAYS
27th January 2003

Dear Sir

Barclays Bank PLC ("the Bank") has pleasure in confirming the following loan facility that was executed on 27th January 2003 with Wolverhampton City Council ("the Council"):-

- Amount: - £5,000,000. (Five Million Pounds).
- Date of Drawdown: - 30th January 2003.
- Date of Repayment: - 30th January 2043.
- Period: - 40 Years.
- Interest Rate: - (a) 2.75% Fixed per annum during the period from 30th January 2003 to but excluding 30th January 2006 and thereafter 4.50% per annum,
or,
(b) In the event of the Bank exercising its option to increase the rate on any Lender's Option Date, the rate per annum notified to the Council by the Bank prior to such Lender's Option Date.

Please note that the nature of this loan is that the interest rate may increase at a time that you may consider disadvantageous to you.


- Interest Payment: - Six monthly, in accordance with the provision of a Loan Instrument in the attached form.
- Prepayment: - In the event of any proposed increase in the rate of interest, the Council may prepay the Loan in whole without penalty on the date of such proposed increase provided that the Council shall have no such right of

prepayment in respect of an increase in the rate of interest from 2.75% per annum to 4.50% per annum occurring on 30th January 2006 and not otherwise.

- Terms and Conditions: - In accordance with a Loan Instrument in the attached form.
- Legal Expenses: - Any legal expenses incurred shall be for the account of the Council.
- Conditions Precedent: -
- (a) The original of this Loan Confirmation Letter duly signed on behalf of the Council.
 - (b) Execution of a Loan Instrument in the attached form.
 - (c) A list of authorised signatories of the Council who are able to execute the Loan Instrument.
 - (d) Certified copies of appropriate documents (e.g. Council minutes, Standing Orders) evidencing the power of the signatory to the Loan Instrument to execute such instrument on behalf of the Council.

Please indicate your confirmation of the above terms and your commitment to provide a signed Loan Instrument in the attached form, by signing and returning a copy of this letter by fax (0870 242 2754) with the original to follow by post.

Yours faithfully


For & on behalf of
Barclays Bank PLC

- (a) I confirm acceptance of a loan, the terms of which shall be in accordance with this letter.
- (b) I confirm that the Council will execute a Loan Instrument in the attached form.

Signature

Date 28/01/03

Print Name

BRIAN RILEY

Position

For & on behalf of Wolverhampton City Council

CO-ORDINATING DIRECTOR FOR FINANCE
AND PHYSICAL RESOURCES

PUBLIC DISCLOSED COPY²

Form of Loan Instrument

LOCAL AUTHORITY LOAN INSTRUMENT CERTIFICATE NUMBER 2003/2

Wolverhampton City Council ("the Council") acknowledges receipt of the loan on the terms specified in the Schedule below and subject to the Conditions endorsed in this certificate.

THE SCHEDULE

REGISTERED HOLDER: BARCLAYS BANK PLC

AMOUNT OF PRINCIPAL: £5,000,000. (Five Million Pounds).

DATE ACCEPTED: 27th January 2003.

DATE OF DRAWDOWN: 30th January 2003.

INTEREST: Interest on the Principal shall accrue at: -

- a) 2.75% per annum during the period from 30th January 2003 to but excluding 30th January 2006 and thereafter at 4.50% per annum;

or,

- b) (if the Bank notifies the Council not less than two Business Days prior to any Lender's Option Date) at the rate so notified with effect from such Lender's Option Date.

Interest being payable in arrears on 30th January and 30th July in each year. In the event that any date on which interest is due to be paid hereunder is not a Business Day, then such interest shall be paid on the next Business Day unless that Business Day is in the following month in which case such interest shall be paid on the Business Day immediately preceding such interest payment date.

DATE OF REPAYMENT
OF PRINCIPAL: 30th January 2043.

AMOUNT OF REPAYMENT
OF PRINCIPAL: £5,000,000. (Five Million Pounds).

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CONDITIONS:

1. The amount of this Loan Instrument is acknowledged to be a debt payable to the Registered Holder by the Council.
2. Interest is payable from the date of drawdown on the face of this Loan Instrument, shall accrue from day to day and shall be calculated on the basis of a year of 365 days (or on such other day count basis as the Bank considers is consistent with the then applicable market practice) and the actual number of days elapsed. Interest shall be remitted in cleared funds on the dates specified in the above Schedule to the Registered Holder's nominated bank account.
3. Payment default of any part of any sum due under this Loan Instrument shall entitle the Registered Holder to call for immediate repayment of the Principal together with all interest then accrued and together with any broken funding and associated financing costs thereby incurred arising from the early termination of the funding and associated financing arrangements for this loan including, for the avoidance of doubt, any costs and expenses incurred in connection with any associated swap arrangements.
4. All payments required to be made by the Council hereunder shall be calculated without reference to any set-off or counterclaim and shall be made free and clear of and without any deduction for or on account of any set-off or counterclaim.
5. The debt acknowledged by this Loan Instrument is fully transferable in whole or in part by the Registered Holder by an instrument in writing in accordance with the Stock Transfer Act 1963 delivered to the Council who shall acknowledge and register any such transfer. In the event of a transfer of part of the debt acknowledged by this Loan Instrument, the Council will issue a Loan Instrument to the Registered Holder for the debt under this Loan Instrument as reduced by the amount transferred and will issue a new Loan Instrument to the transferee on the same terms set out in this Loan Instrument for an amount equal to the debt transferred by the Registered Holder. Further, the Council will give effect to and conform to any registration requirements imposed by virtue of statute, practice or otherwise and will provide the Registered Holder with any relevant documentation within the time period imposed by the statute, practice or otherwise.
6. This Loan Instrument is redeemable by remittance of cleared funds to the Registered Holder's nominated bank account on the date for repayment of Principal specified in the above Schedule or on the date for prepayment in accordance with condition 7 below.
7. If the Registered Holder notifies the Council by not less than two Business Days prior notice that an increase in the rate of interest will occur on a Lender's Option Date, then the Council may, if it has given the Registered Holder prior written notice to that effect by no later than 5.00pm on the Business Day preceding such proposed increase, prepay without penalty the Principal on the date of such proposed increase, together with accrued interest thereon to the day of

prepayment provided that the Council shall have no such right of prepayment in respect of an increase in the rate of interest from 2.75% per annum to 4.50% per annum occurring on 30th January 2006 as specified in the above Schedule. The Council shall not be entitled to prepay the Principal except at the times and in the manner expressly provided in this Loan Instrument.

8. If the UK moves to the third stage of Economic Monetary Union, the Registered Holder shall be entitled to make such changes to this Loan Instrument as it reasonably considers are necessary to reflect the changeover to the Euro.

9. In this Loan Instrument, the following terms shall have the following meanings:-

“Business Day” means a day (excluding Saturdays) on which the Bank is ordinarily open to effect transactions of the kind contemplated in this Loan Instrument.

“Lender’s Option Date” means the 30th January 2006 and each period of six months thereafter.

EXECUTED on behalf of Wolverhampton City Council on the _____ day of January, 2003.

By:



Authorised Signatory

BRIAN

BAINBY

Name and Title of
Authorised Signatory



Authorised Signatory

WM WILLIAMS

Deputy Director of finance

Name and Title of
Authorised Signatory

CO-ORDINATING DIRECTOR FOR FINANCE
AND PHYSICAL RESOURCES

Mr M. Williams
Deputy Director of Finance
Wolverhampton City Council
Civic Centre
St Peters' Square
Wolverhampton
West Midlands
WV1 1RL

Local Authority Unit
54 Lombard Street
London
EC3V 9EX

Tel 020 7699 5000
Fax 0870 242 2754

www.barclays.com

BARCLAYS

24th April 2003

Dear Mr Williams

Barclays Bank PLC ("the Bank") has pleasure in confirming the following loan facility that was executed on 22nd April 2003 with Wolverhampton City Council ("the Council"):

- Amount: - £3,000,000 (Three Million Pounds)
- Date of Drawdown: - 4th July 2003
- Date of Repayment: - 6th July 2043
- Period: - 40 Years.
- Interest Rate: - (a) 1.75% Fixed per annum during the period from 4th July 2003 to, but excluding, 4th July 2005 and thereafter 4.50% per annum,
- or,
- (b) In the event of the Bank exercising its option to increase the rate on any Lender's Option Date, the rate per annum notified to the Council by the Bank prior to such Lender's Option Date.

Please note that the nature of this loan is that the interest rate may increase at a time that you may consider disadvantageous to you.

- Interest Payment: - Six monthly, in accordance with the provision of a Loan Instrument in the attached form.
- Prepayment: - In the event of any proposed increase in the rate of interest, the Council may prepay the Loan in whole without penalty on the date of such proposed increase provided that the Council shall have no such right of prepayment in respect of an increase in the rate of interest from 1.75% per annum to 4.50% per annum occurring on 4th July 2005 and not otherwise.

Barclays Bank PLC is regulated by the Financial Services Authority. Barclays Bank PLC represents only the Legal & General Marketing Group of companies for life assurance, pensions and unit trusts. Registered in England, registered No. 26167. Registered Office: 54 Lombard Street, London, EC3P 3AH

PUBLIC DISCLOSED COPY

- Terms and Conditions: - In accordance with a Loan Instrument in the attached form.
- Legal Expenses: - Any legal expenses incurred shall be for the account of the Council.
- Conditions Precedent: -
- (a) The original of this Loan Confirmation Letter duly signed on behalf of the Council.
 - (b) Execution of a Loan Instrument in the attached form.
 - (c) A list of authorised signatories of the Council who are able to execute the Loan Instrument.
 - (d) Certified copies of appropriate documents (e.g. Council minutes, Standing Orders) evidencing the power of the signatory to the Loan Instrument to execute such instrument on behalf of the Council.

Please indicate your confirmation of the above terms and your commitment to provide a signed Loan Instrument in the attached form, by signing and returning a copy of this letter by fax (0870 242 2754) with the original to follow by post.

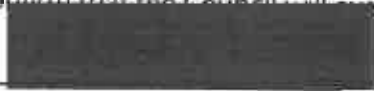
Yours sincerely



For & on behalf of
Barclays Bank PLC

- (a) I confirm acceptance of a loan, the terms of which shall be in accordance with this letter.
- (b) I confirm that the Council will execute a Loan Instrument in the attached form.

Signature



Date 30 April 2003

Print Name W M WILLIAMS
For & on behalf of Wolverhampton City Council

Position Deputy Director of Finance

Form of Loan Instrument

LOCAL AUTHORITY LOAN INSTRUMENT CERTIFICATE NUMBER 7/2004

Wolverhampton City Council ("the Council") acknowledges receipt of the loan on the terms specified in the Schedule below and subject to the Conditions endorsed in this certificate.

THE SCHEDULE

REGISTERED HOLDER: BARCLAYS BANK PLC

AMOUNT OF PRINCIPAL: £3,000,000 (Three Million Pounds)

DATE ACCEPTED: 22nd April 2003

DATE OF DRAWDOWN: 4th July 2003

INTEREST: Interest on the Principal shall accrue at: -

- a) 1.75% per annum during the period from 4th July 2003 to, but excluding, 4th July 2005 and thereafter at 4.50% per annum;
- or,
- b) (if the Bank notifies the Council not less than two Business Days prior to any Lender's Option Date) at the rate so notified with effect from such Lender's Option Date.

Interest being payable in arrears on 4th July and 4th January in each year. In the event that any date on which interest is due to be paid hereunder is not a Business Day, then such interest shall be paid on the next Business Day unless that Business Day is in the following month in which case such interest shall be paid on the Business Day immediately preceding such interest payment date.

DATE OF REPAYMENT OF PRINCIPAL: 6th July 2043

AMOUNT OF REPAYMENT OF PRINCIPAL: £3,000,000 (Three Million Pounds)

PUBLIC DISCLOSED COPY

CONDITIONS:

1. The amount of this Loan Instrument is acknowledged to be a debt payable to the Registered Holder by the Council.
2. Interest is payable from the date of drawdown on the face of this Loan Instrument, shall accrue from day to day and shall be calculated on the basis of a year of 365 days (or on such other day count basis as the Bank considers is consistent with the then applicable market practice) and the actual number of days elapsed. Interest shall be remitted in cleared funds on the dates specified in the above Schedule to the Registered Holder's nominated bank account.
3. Payment default of any part of any sum due under this Loan Instrument shall entitle the Registered Holder to call for immediate repayment of the Principal together with all interest then accrued and together with any broken funding and associated financing costs thereby incurred arising from the early termination of the funding and associated financing arrangements for this loan including, for the avoidance of doubt, any costs and expenses incurred in connection with any associated swap arrangements.
4. All payments required to be made by the Council hereunder shall be calculated without reference to any set-off or counterclaim and shall be made free and clear of and without any deduction for or on account of any set-off or counterclaim.
5. The debt acknowledged by this Loan Instrument is fully transferable in whole or in part by the Registered Holder by an instrument in writing in accordance with the Stock Transfer Act 1963 delivered to the Council who shall acknowledge and register any such transfer. In the event of a transfer of part of the debt acknowledged by this Loan Instrument, the Council will issue a Loan Instrument to the Registered Holder for the debt under this Loan Instrument as reduced by the amount transferred and will issue a new Loan Instrument to the transferee on the same terms set out in this Loan Instrument for an amount equal to the debt transferred by the Registered Holder. Further, the Council will give effect to and conform to any registration requirements imposed by virtue of statute, practice or otherwise and will provide the Registered Holder with any relevant documentation within the time period imposed by the statute, practice or otherwise.
6. This Loan Instrument is redeemable by remittance of cleared funds to the Registered Holder's nominated bank account on the date for repayment of Principal specified in the above Schedule or on the date for prepayment in accordance with condition 7 below.
7. If the Registered Holder notifies the Council by not less than two Business Days prior notice that an increase in the rate of interest will occur on a Lender's Option Date, then the Council may, if it has given the Registered Holder prior written notice to that effect by no later than 5.00pm on the Business Day preceding such proposed increase, prepay without penalty the Principal on the date of such proposed increase, together with accrued interest thereon to the day of prepayment provided that the Council shall have no such right of prepayment in respect of an increase in the rate of interest from 1.75% per annum to 4.50% per annum occurring on 4th July 2005 as specified in the above Schedule. The Council may also, if it has given to the Registered Holder prior written notice to that effect by no later than 5.00pm on the Business Day preceding the proposed day of prepayment, prepay the principal on the next interest payment date, together with accrued interest and any broken funding and associated financing costs incurred by the Registered Holder (if

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any) arising from the early termination of the funding and associated financing arrangements for this loan including, for the avoidance of doubt, any costs and expenses incurred in connection with any associated swap arrangements. The Council shall not be entitled to prepay the Principal except at the times and in the manner expressly provided in this Loan Instrument.

8. If the UK moves to the third stage of Economic Monetary Union, the Registered Holder shall be entitled to make such changes to this Loan Instrument as it reasonably considers are necessary to reflect the changeover to the Euro.

9. In this Loan Instrument, the following terms shall have the following meanings:-

"Business Day" means a day (excluding Saturdays) on which the Bank is ordinarily open to effect transactions of the kind contemplated in this Loan Instrument.

"Lender's Option Date" means the 4th July 2005 and each period of six months thereafter.

EXECUTED on behalf of Wolverhampton City Council on the 30 day of April 2003.

By:



Authorised Signatory

B BAILEY
Coordinating Director of finance
and Physical Resources

Name and Title of
Authorised Signatory



Authorised Signatory

W M WILLIAMS
Deputy Director of finance

Name and Title of
Authorised Signatory

PUBLIC DISCLOSED COPY

LOBOS

Returned by [redacted] at Barclays 24/1/08

Mr M. Williams
Deputy Director of Finance
Finance Department
Wolverhampton City Council
Civic Centre
St Peter's Square
Wolverhampton
West Midlands, WV1 1SH

Local Authority Unit
54 Lombard Street
London
EC3V 9EX
Tel 020 7699 5000
Fax 0870 242 2754
www.barclays.com

BARCLAYS
13th January 2004

Dear Mr Williams

Barclays Bank PLC ("the Bank") has pleasure in confirming the following loan facility that was executed on 8th January 2004 with Wolverhampton City Council ("the Council"):-

- Amount: - £2,300,000 (Two Million, Three Hundred Thousand Pounds)
- Date of Drawdown: - 30th March 2004
- Date of Repayment: - 30th March 2044
- Period: - 40 Years.
- Interest Rate: - (a) 3.50% Fixed per annum during the period from 30th March 2004 to, but excluding, 30th March 2007 and thereafter 4.75% per annum,
or,
(b) In the event of the Bank exercising its option to increase the rate on any Lender's Option Date, the rate per annum notified to the Council by the Bank prior to such Lender's Option Date.

Please note that the nature of this loan is that the interest rate may increase at a time that you may consider disadvantageous to you.

Interest Payment: - Six monthly, in accordance with the provision of a Loan Instrument in the attached form.

Prepayment: - In the event of any proposed increase in the rate of interest, the Council may prepay the Loan in whole without penalty on the date of such proposed increase provided that the Council shall have no such right of prepayment in respect of an increase in the rate of interest from 3.50% per annum to 4.75% per annum occurring on 30th March 2007 and not otherwise.

- Terms and Conditions: - In accordance with a Loan Instrument in the attached form.
- Legal Expenses: - Any legal expenses incurred shall be for the account of the Council.
- Conditions Precedent: -
- (a) The original of this Loan Confirmation Letter duly signed on behalf of the Council.
 - (b) Execution of a Loan Instrument in the attached form.
 - (c) A list of authorised signatories of the Council who are able to execute the Loan Instrument.
 - (d) Certified copies of appropriate documents (e.g. Council minutes, Standing Orders) evidencing the power of the signatory to the Loan Instrument to execute such instrument on behalf of the Council.

Please indicate your confirmation of the above terms and your commitment to provide a signed Loan Instrument in the attached form, by signing and returning a copy of this letter by fax (0870 242 2754) with the original to follow by post.

Yours sincerely,

[Redacted Signature]

For & on behalf of
Barclays Bank PLC

- (a) I confirm acceptance of a loan, the terms of which shall be in accordance with this letter.
- (b) I confirm that the Council will execute a Loan Instrument in the attached form.

Signature

[Redacted Signature]

Date

14/01/2004

Print Name

W M WILLIAMS

Position

Deputy Director of Finance

For & on behalf of Wolverhampton City Council

PUBLIC DISCLOSED COPY

Form of Loan Instrument

LOBOS
Reissued
Jan 06
1/2004 (2)

LOCAL AUTHORITY LOAN INSTRUMENT CERTIFICATE NUMBER 1/2004

Wolverhampton City Council ("the Council") acknowledges receipt of the loan on the terms specified in the Schedule below and subject to the Conditions endorsed in this certificate.

THE SCHEDULE

REGISTERED HOLDER: BARCLAYS BANK PLC

AMOUNT OF PRINCIPAL: £2,300,000 (Two Million, Three Hundred Thousand Pounds).

DATE ACCEPTED: 8th January 2004

DATE OF DRAWDOWN: 30th March 2004

INTEREST: Interest on the Principal shall accrue at: -

- a) 3.50% per annum during the period from 30th March 2004 to, but excluding, 30th March 2007 and thereafter at 4.75% per annum;
- or,
- b) (if the Bank notifies the Council not less than two Business Days prior to any Lender's Option Date) at the rate so notified with effect from such Lender's Option Date.

Interest being payable in arrears on 30th March and 30th September in each year. In the event that any date on which interest is due to be paid hereunder is not a Business Day, then such interest shall be paid on the next Business Day unless that Business Day is in the following month in which case such interest shall be paid on the Business Day immediately preceding such interest payment date.

DATE OF REPAYMENT OF PRINCIPAL: 30th March 2044

AMOUNT OF REPAYMENT OF PRINCIPAL: £2,300,000 (Two Million, Three Hundred Thousand Pounds).

CONDITIONS:

1. The amount of this Loan Instrument is acknowledged to be a debt payable to the Registered Holder by the Council.
2. Interest is payable from the date of drawdown on the face of this Loan Instrument, shall accrue from day to day and shall be calculated on the basis of a year of 365 days (or on such other day count basis as the Bank considers is consistent with the then applicable market practice) and the actual number of days elapsed. Interest shall be remitted in cleared funds on the dates specified in the above Schedule to the Registered Holder's nominated bank account.
3. Payment default of any part of any sum due under this Loan Instrument shall entitle the Registered Holder to call for immediate repayment of the Principal together with all interest then accrued and together with any broken funding and associated financing costs thereby incurred arising from the early termination of the funding and associated financing arrangements for this loan including, for the avoidance of doubt, any costs and expenses incurred in connection with any associated swap arrangements.
4. All payments required to be made by the Council hereunder shall be calculated without reference to any set-off or counterclaim and shall be made free and clear of and without any deduction for or on account of any set-off or counterclaim.
5. The debt acknowledged by this Loan Instrument is fully transferable in whole or in part by the Registered Holder by an instrument in writing in accordance with the Stock Transfer Act 1963 delivered to the Council who shall acknowledge and register any such transfer. In the event of a transfer of part of the debt acknowledged by this Loan Instrument, the Council will issue a Loan Instrument to the Registered Holder for the debt under this Loan Instrument as reduced by the amount transferred and will issue a new Loan Instrument to the transferee on the same terms set out in this Loan Instrument for an amount equal to the debt transferred by the Registered Holder. Further, the Council will give effect to and conform to any registration requirements imposed by virtue of statute, practice or otherwise and will provide the Registered Holder with any relevant documentation within the time period imposed by the statute, practice or otherwise.
6. This Loan Instrument is redeemable by remittance of cleared funds to the Registered Holder's nominated bank account on the date for repayment of Principal specified in the above Schedule or on the date for prepayment in accordance with condition 7 below.
7. If the Registered Holder notifies the Council by not less than two Business Days prior notice that an increase in the rate of interest will occur on a Lender's Option Date, then the Council may, if it has given the Registered Holder prior written notice to that effect by no later than 5.00pm on the Business Day preceding such proposed increase, prepay without penalty the Principal on the date of such proposed increase, together with accrued interest thereon to the day of prepayment provided that the Council shall have no such right of prepayment in respect of an increase in the rate of interest from 3.50% per annum to 4.75% per annum occurring on 30th March 2007 as specified in the above Schedule. The Council may also, if it has given to the Registered Holder prior written notice to that effect by no later than 5.00pm on the Business Day preceding the proposed day of prepayment, prepay the principal on the next interest payment date after 30th March 2007, together with accrued interest and any broken funding and associated financing costs incurred by

the Registered Holder (if any) arising from the early termination of the funding and associated financing arrangements for this loan including, for the avoidance of doubt, any costs and expenses incurred in connection with any associated swap arrangements. The Council shall not be entitled to prepay the Principal except at the times and in the manner expressly provided in this Loan Instrument.

8. If the UK moves to the third stage of Economic Monetary Union, the Registered Holder shall be entitled to make such changes to this Loan Instrument as it reasonably considers are necessary to reflect the changeover to the Euro.

9. In this Loan Instrument, the following terms shall have the following meanings:-

“Business Day” means a day (excluding Saturdays) on which the Bank is ordinarily open to effect transactions of the kind contemplated in this Loan Instrument.

“Lender’s Option Date” means the 30th March 2007 and each period of six months thereafter.

EXECUTED on behalf of Wolverhampton City Council on the 14 day of January, 2004.

By:



Authorised Signatory

W M WILLIAMS

Deputy Director of Finance

Name and Title of
Authorised Signatory



Authorised Signatory

B BAILEY

Coordinating Director of Finance
and Physical Resources

Name and Title of
Authorised Signatory

Returned by [redacted]
at Barclays 24/1/04

Local Authority Unit
54 Lombard Street
London
EC3V 9EX

Tel 020 7699 5000
Fax 0870 242 2754

www.barclays.com

Mike Williams
Deputy Director of Finance
Finance Department
Wolverhampton City Council
Civic Centre
St Peter's Square
Wolverhampton
West Midlands WV1 1SH

LOBOG

BARCLAYS

13th January 2004

Dear Mr Williams

Barclays Bank PLC ("the Bank") has pleasure in confirming the following loan facility that was executed on 8th January 2004 with Wolverhampton City Council ("the Council"):-

- Amount: - £2,500,000 (Two Million, Five Hundred Thousand Pounds)
- Date of Drawdown: - 30th April 2004
- Date of Repayment: - 29th April 2044
- Period: - 40 Years.
- Interest Rate: - (a) 3.50% Fixed per annum during the period from 30th April 2004 to, but excluding, 30th April 2007 and thereafter 4.75% per annum, or (b) In the event of the Bank exercising its option to increase the rate on any Lender's Option Date, the rate per annum notified to the Council by the Bank prior to such Lender's Option Date.

Please note that the nature of this loan is that the interest rate may increase at a time that you may consider disadvantageous to you.

Interest Payment: - Six monthly, in accordance with the provision of a Loan Instrument in the attached form.

Prepayment: - In the event of any proposed increase in the rate of interest, the Council may prepay the Loan in whole without penalty on the date of such proposed increase provided that the Council shall have no such right of prepayment in respect of an increase in the rate of interest from 3.50% per annum to 4.75% per annum occurring on 30th April 2007 and not otherwise.

- Terms and Conditions: - In accordance with a Loan Instrument in the attached form.
- Legal Expenses: - Any legal expenses incurred shall be for the account of the Council.
- Conditions Precedent: -
- (a) The original of this Loan Confirmation Letter duly signed on behalf of the Council.
 - (b) Execution of a Loan Instrument in the attached form.
 - (c) A list of authorised signatories of the Council who are able to execute the Loan Instrument.
 - (d) Certified copies of appropriate documents (e.g. Council minutes, Standing Orders) evidencing the power of the signatory to the Loan Instrument to execute such Instrument on behalf of the Council.

Please indicate your confirmation of the above terms and your commitment to provide a signed Loan Instrument in the attached form, by signing and returning a copy of this letter by fax (0870 242 2754) with the original to follow by post.

Yours sincerely,



For & on behalf of
Barclays Bank PLC

- (a) I confirm acceptance of a loan, the terms of which shall be in accordance with this letter.
- (b) I confirm that the Council will execute a Loan Instrument in the attached form.

Signature



Date 14/01/2004

Print Name W M WILLIAMS
For & on behalf of Wolverhampton City Council

Position Deputy Director of Finance

LOB06

Form of Loan Instrument

LOCAL AUTHORITY LOAN INSTRUMENT CERTIFICATE NUMBER 2/2004 s/b 5/2004

Wolverhampton City Council ("the Council") acknowledges receipt of the loan on the terms specified in the Schedule below and subject to the Conditions endorsed in this certificate.

THE SCHEDULE

REGISTERED HOLDER: BARCLAYS BANK PLC

AMOUNT OF PRINCIPAL: £2,500,000 (Two Million, Five Hundred Thousand Pounds).

DATE ACCEPTED: 8th January 2004

DATE OF DRAWDOWN: 30th April 2004

INTEREST: Interest on the Principal shall accrue at: -

a) 3.50% per annum during the period from 30th April 2004 to, but excluding, 30th April 2007 and thereafter at 4.75% per annum;

or,

b) (if the Bank notifies the Council not less than two Business Days prior to any Lender's Option Date) at the rate so notified with effect from such Lender's Option Date.

Interest being payable in arrears on 30th April and 30th October in each year. In the event that any date on which interest is due to be paid hereunder is not a Business Day, then such interest shall be paid on the next Business Day unless that Business Day is in the following month in which case such interest shall be paid on the Business Day immediately preceding such interest payment date.

DATE OF REPAYMENT OF PRINCIPAL: 29th April 2044

AMOUNT OF REPAYMENT OF PRINCIPAL: £2,500,000 (Two Million, Five Hundred Thousand Pounds).

Cancelled

CONDITIONS:

1. The amount of this Loan Instrument is acknowledged to be a debt payable to the Registered Holder by the Council.
2. Interest is payable from the date of drawdown on the face of this Loan Instrument, shall accrue from day to day and shall be calculated on the basis of a year of 365 days (or on such other day count basis as the Bank considers is consistent with the then applicable market practice) and the actual number of days elapsed. Interest shall be remitted in cleared funds on the dates specified in the above Schedule to the Registered Holder's nominated bank account.
3. Payment default of any part of any sum due under this Loan Instrument shall entitle the Registered Holder to call for immediate repayment of the Principal together with all interest then accrued and together with any broken funding and associated financing costs thereby incurred arising from the early termination of the funding and associated financing arrangements for this loan including, for the avoidance of doubt, any costs and expenses incurred in connection with any associated swap arrangements.
4. All payments required to be made by the Council hereunder shall be calculated without reference to any set-off or counterclaim and shall be made free and clear of and without any deduction for or on account of any set-off or counterclaim.
5. The debt acknowledged by this Loan Instrument is fully transferable in whole or in part by the Registered Holder by an instrument in writing in accordance with the Stock Transfer Act 1963 delivered to the Council who shall acknowledge and register any such transfer. In the event of a transfer of part of the debt acknowledged by this Loan Instrument, the Council will issue a Loan Instrument to the Registered Holder for the debt under this Loan Instrument as reduced by the amount transferred and will issue a new Loan Instrument to the transferee on the same terms set out in this Loan Instrument for an amount equal to the debt transferred by the Registered Holder. Further, the Council will give effect to and conform to any registration requirements imposed by virtue of statute, practice or otherwise and will provide the Registered Holder with any relevant documentation within the time period imposed by the statute, practice or otherwise.
6. This Loan Instrument is redeemable by remittance of cleared funds to the Registered Holder's nominated bank account on the date for repayment of Principal specified in the above Schedule or on the date for prepayment in accordance with condition 7 below.
7. If the Registered Holder notifies the Council by not less than two Business Days prior notice that an increase in the rate of interest will occur on a Lender's Option Date, then the Council may, if it has given the Registered Holder prior written notice to that effect by no later than 5.00pm on the Business Day preceding such proposed increase, prepay without penalty the Principal on the date of such proposed increase, together with accrued interest thereon to the day of prepayment provided that the Council shall have no such right of prepayment in respect of an increase in the rate of interest from 3.50% per annum to 4.75% per annum occurring on 30th April 2007 as specified in the above Schedule. The Council may also, if it has given to the Registered Holder prior written notice to that effect by no later than 5.00pm on the Business Day preceding the proposed day of prepayment, prepay the principal on the next interest payment date after 30th April 2007, together with accrued interest and any broken funding and associated financing costs incurred by the

Registered Holder (if any) arising from the early termination of the funding and associated financing arrangements for this loan including, for the avoidance of doubt, any costs and expenses incurred in connection with any associated swap arrangements. The Council shall not be entitled to prepay the Principal except at the times and in the manner expressly provided in this Loan Instrument.

8. If the UK moves to the third stage of Economic Monetary Union, the Registered Holder shall be entitled to make such changes to this Loan Instrument as it reasonably considers are necessary to reflect the changeover to the Euro.
9. In this Loan Instrument, the following terms shall have the following meanings:-

"Business Day" means a day (excluding Saturdays) on which the Bank is ordinarily open to effect transactions of the kind contemplated in this Loan Instrument.

"Lender's Option Date" means the 30th April 2007 and each period of six months thereafter.

EXECUTED on behalf of Wolverhampton City Council on the 14 day of January, 2004.

By:



Authorised Signatory

WMWILLIAMS

Deputy Director of Finance

Name and Title of
Authorised Signatory



Authorised Signatory

B BAILEY

Coordinating Director of Finance
and Physical Resources

Name and Title of
Authorised Signatory

WOLVERHAMPTON CITY COUNCIL

LOAN INSTRUMENT NO: 4/2004

Wolverhampton City Council acknowledges the receipt of the loan on the terms specified in the Schedule below and subject to the Conditions endorsed in this certificate.

THE SCHEDULE

REGISTERED HOLDER	Danske Bank AS London Branch
AMOUNT OF PRINCIPAL	£5,000,000
ADVANCE DATE	30th June 2004
INTEREST	<p>(a) 3.37% fixed per annum during the period from 30 June 2004 to, but excluding 30 June 2007 and thereafter 4.75% per annum. For the avoidance of doubt, the first and final interest periods shall be short periods. (In the event that such interest payment date falls on a day which is not a London business day, the interest payment date will be on the next London business day unless that day is in the following month in which case it shall be the preceding London business day). Interest to be computed on an Actual 365 (Fixed) basis. Interest will be calculated on the actual number of days elapsed in each interest period;</p> <p>(b) the Registered Holder has the right on 30 June 2007 and on every interest rate payment date falling on the date that is 6 months after the preceding LOBO Date thereafter, by means of notice three London business days prior to the effective date, to alter the Interest (to a rate calculated by Registered Holder) and, if notice is given, Clause 5 will apply. All dates are subject to the adjusted modified following business day rule.</p>
DATE OF REPAYMENT OF PRINCIPAL	30 June 200 7 44
AMOUNT OF REPAYMENT OF PRINCIPAL	£5,000,000

CONDITIONS:

1. The amount of this Loan Instrument is acknowledged to be a debt payable to the Registered Holder by the Council.
2. Interest is payable from the Advance Date specified in the above Schedule and shall be remitted in cleared funds on the dates specified in the above Schedule to the Registered Holder's nominated bank account.
3. The Council will at all times take all steps and make all such payments to the Registered Holder as may be necessary from time to time to ensure that the gross amount of all payments due in respect of the Loan is paid to the Registered Holder, free and clear of UK Taxes, subject to the Registered Holder procuring evidence from the UK Inland Revenue that the Registered Holder is entitled to receive such payments gross.
4. The debt acknowledged by this Loan Instrument is fully transferable by the Registered Holder by an instrument in writing in accordance with the Stock Transfer Act 1963 delivered to the Registrar of Loan Instruments of the Council, who shall acknowledge and register any such transfer.
5. This Loan Instrument is redeemable by remittance of cleared funds to the Registered Holder's nominated bank account on the date specified for repayment in the above schedule and, save as mentioned below in this paragraph, not on any earlier date. If the Registered Holder exercises the right to alter the Interest then the Council may prepay the amount of Principal and all accrued interest thereon on the date the Interest is altered without penalty, subject to receipt of notice by the Registered Holder no later than 5.00 p.m. on the London business day prior to the date on which the Interest is due to be altered. The amount payable to redeem this Loan Instrument on a date on which the Interest is altered is the Principal and all accrued interest thereon. All notices regarding alteration to the Interest from the Registered Holder will be issued no later than 12.00 noon three London business days prior to the effective date.

This Loan Instrument is in compliance with Section 43 (4) and (5) of the Local Government and Housing Act 1989.

by: 

Name: W M WILLIAMS

Title: DEPUTY DIRECTOR OF FINANCE
WOLVERHAMPTON CITY COUNCIL


WOLVERHAMPTON CITY COUNCIL

Certificate of particulars of loan

This is to certify pursuant to regulation 9(7) of the Local Authorities (Borrowing) Regulations 1990 (as amended) that the Register of Loans maintained by the Council contains the following particulars in respect of money borrowed by the Council by means of Loan Instrument number referred to in the Register.

REGISTERED HOLDER	Danske Bank AS London Branch
AMOUNT OF PRINCIPAL	£5,000,000
ADVANCE DATE	30th June 2004
INTEREST	(a) 3.37% fixed per annum during the period from 30 June 2004 to, but excluding 30 June 2007 and thereafter 4.75% per annum. For the avoidance of doubt, the first and final interest periods shall be short periods. (In the event that such interest payment date falls on a day which is not a London business day, the interest payment date will be on the next London business day unless that day is in the following month in which case it shall be the preceding London business day). Interest to be computed on an Actual 365 (Fixed) basis. Interest will be calculated on the actual number of days elapsed in each interest period;
	(b) the Registered Holder has the right on 30 June 2007 and on every interest rate payment date falling on the date that is 6 months after the preceding LOBO Date thereafter, by means of notice three London business days prior to the effective date, to alter the interest (to a rate calculated by Registered Holder) and, if notice is given, Clause 5 will apply. All dates are subject to the adjusted modified following business day rule.

EXECUTED on behalf of

By  ...
Authorised Signatory

Name: W M WILLIAMS

Title: DEPUTY DIRECTOR OF FINANCE
WOLVERHAMPTON CITY COUNCIL

Date: 11th October 2004

LOBO 7

FAX MESSAGE



London Branch
75 King William Street
London
EC4N 7DT

2 March 2004

To: Fax No 01902 554406 Company Wolverhampton City Council Department Attention Mike Williams	From: Department Client Services Fax No [Redacted] Telephone No [Redacted] Reference
----------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------

Message: AMENDED CONFIRMATION

Dear Sirs

The purpose of this letter is to set forth the terms and conditions of the above transaction entered into between us on the Trade Date referred to below.

1. Trade Date : 3 February 2004
2. Trade Type : Prime Step Up LOBO
3. Coupon : 30 June 2004 - 30 June 2007 - 3.37%.
30 June 2007 - 30 June 2044 - 4.75% subject to LOBO Terms.
4. Value Date : 30 June 2004
5. Nominal : GBP5,000,000.00
6. LOBO Details : LOBO effective from 29 June 2007 and 6 monthly thereafter on the dates stated below. All notices regarding alteration to the interest will be given no later than 12:00 noon two business days prior to the date from which the new interest rate will be effective.
7. Maturity : 30 June 2044
8. Lender : Danske Bank A/S London Branch
9. Borrower : Wolverhampton City Council
10. Settlement Details: [Redacted]
11. Required Documentation: Loan Instrument and Certificate.

12. Roll Dates:

30 December 2004	30 June 2005
30 December 2005	30 June 2006
29 December 2006	29 June 2007
31 December 2007	30 June 2008
30 December 2008	30 June 2009
30 December 2009	30 June 2010
30 December 2010	30 June 2011
30 December 2011	29 June 2012
31 December 2012	28 June 2013
30 December 2013	30 June 2014
30 December 2014	30 June 2015
30 December 2015	30 June 2016
30 December 2016	30 June 2017
29 December 2017	29 June 2018
31 December 2018	28 June 2019
30 December 2019	30 June 2020
30 December 2020	30 June 2021
30 December 2021	30 June 2022
30 December 2022	30 June 2023
29 December 2023	28 June 2024
30 December 2024	30 June 2025
30 December 2025	30 June 2026
30 December 2026	30 June 2027
30 December 2027	30 June 2028
29 December 2028	29 June 2029
31 December 2029	28 June 2030
30 December 2030	30 June 2031
30 December 2031	30 June 2032
30 December 2032	30 June 2033
30 December 2033	30 June 2034
29 December 2034	29 June 2035
31 December 2035	30 June 2036
30 December 2036	30 June 2037
30 December 2037	30 June 2038
30 December 2038	30 June 2039
30 December 2039	29 June 2040
31 December 2040	28 June 2041
30 December 2041	30 June 2042
30 December 2042	30 June 2043
30 December 2043	30 June 2044

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing a copy of the Confirmation and returning it to Client Service [REDACTED]

Danske Bank

[REDACTED]

Authorised Signature

[REDACTED]

Wolverhampton City Council

[REDACTED]

Deputy Director of Finance
Authorised Signature

3 March 2004

[REDACTED]

Authorised Signature

[REDACTED]

[REDACTED]

Director of Finance & Physical Resources
Authorised Signature

3 March 2004

Returned by [redacted]
at Barclays 24/4/08
Local Authority Unit
54 Lombard Street
London
EC3V 9EX
Tel 020 7699 5000
Fax 0870 242 2754
www.barclays.com

LOBO &

Mr M. Williams
Deputy Director of Finance
Finance Department
Wolverhampton City Council
Civic Centre
St Peter's Square
Wolverhampton
West Midlands, WV1 1SH

BARCLAYS

4th February 2004

Dear Mr Williams

Barclays Bank PLC ("the Bank") has pleasure in confirming the following loan facility that was executed on 3rd February 2004 with Wolverhampton City Council ("the Council"):-

Amount: - £5,000,000 (Five Million Pounds)
Date of Drawdown: - 31st August 2004
Date of Repayment: - 31st August 2044
Period: - 40 Years.
Interest Rate: - (a) 3.40% Fixed per annum during the period from 31st August 2004 to, but excluding, 31st August 2007 and thereafter 4.75% per annum,
or,
(b) In the event of the Bank exercising its option to increase the rate on any Lender's Option Date, the rate per annum notified to the Council by the Bank prior to such Lender's Option Date.

Please note that the nature of this loan is that the interest rate may increase at a time that you may consider disadvantageous to you.

Interest Payment: - Six monthly, in accordance with the provision of a Loan Instrument in the attached form.
Prepayment: - In the event of any proposed increase in the rate of interest, the Council may prepay the Loan in whole without penalty on the date of such proposed increase provided that the Council shall have no such right of prepayment in respect of an increase in the rate of interest from 3.40% per annum to 4.75% per annum occurring on 31st August 2007 and not otherwise.

- Terms and Conditions: - In accordance with a Loan Instrument in the attached form.
- Legal Expenses: - Any legal expenses incurred shall be for the account of the Council.
- Conditions Precedent: -
- (a) The original of this Loan Confirmation Letter duly signed on behalf of the Council.
 - (b) Execution of a Loan Instrument in the attached form.
 - (c) A list of authorised signatories of the Council who are able to execute the Loan Instrument.
 - (d) Certified copies of appropriate documents (e.g. Council minutes, Standing Orders) evidencing the power of the signatory to the Loan Instrument to execute such instrument on behalf of the Council.

Please indicate your confirmation of the above terms and your commitment to provide a signed Loan Instrument in the attached form, by signing and returning a copy of this letter by fax (0870 242 2754) with the original to follow by post.


For & on behalf of
Barclays Bank PLC

- (a) I confirm acceptance of a loan, the terms of which shall be in accordance with this letter.
- (b) I confirm that the Council will execute a Loan Instrument in the attached form.

Signature 

Date

6/2/2014

Print Name W M WILLIAMS
For & on behalf of Wolverhampton City Council

Position

Deputy Director of Finance

PUBLIC DISCLOSED COPY

Form of Loan Instrument

LOCAL AUTHORITY LOAN INSTRUMENT CERTIFICATE NUMBER 2/2004

*Issued
Jan 06
2/2004(2)*

Wolverhampton City Council ("the Council") acknowledges receipt of the loan on the terms specified in the Schedule below and subject to the Conditions endorsed in this certificate.

THE SCHEDULE

REGISTERED HOLDER: BARCLAYS BANK PLC

AMOUNT OF PRINCIPAL: £5,000,000 (Five Million Pounds).

DATE ACCEPTED: 3rd February 2004

DATE OF DRAWDOWN: 31st August 2004

INTEREST: Interest on the Principal shall accrue at: -

a) 3.40% per annum during the period from 31st August 2004 to, but excluding, 31st August 2007 and thereafter at 4.75% per annum;

or,

b) (if the Bank notifies the Council not less than two Business Days prior to any Lender's Option Date) at the rate so notified with effect from such Lender's Option Date.

Interest being payable in arrears on 31st August 28th February in each year. In the event that any date on which interest is due to be paid hereunder is not a Business Day, then such interest shall be paid on the next Business Day unless that Business Day is in the following month in which case such interest shall be paid on the Business Day immediately preceding such interest payment date.

DATE OF REPAYMENT OF PRINCIPAL: 31st August 2044

AMOUNT OF REPAYMENT OF PRINCIPAL: £5,000,000 (Five Million, Pounds).

Council

CONDITIONS:

1. The amount of this Loan Instrument is acknowledged to be a debt payable to the Registered Holder by the Council.
2. Interest is payable from the date of drawdown on the face of this Loan Instrument, shall accrue from day to day and shall be calculated on the basis of a year of 365 days (or on such other day count basis as the Bank considers is consistent with the then applicable market practice) and the actual number of days elapsed. Interest shall be remitted in cleared funds on the dates specified in the above Schedule to the Registered Holder's nominated bank account.
3. Payment default of any part of any sum due under this Loan Instrument shall entitle the Registered Holder to call for immediate repayment of the Principal together with all interest then accrued and together with any broken funding and associated financing costs thereby incurred arising from the early termination of the funding and associated financing arrangements for this loan including, for the avoidance of doubt, any costs and expenses incurred in connection with any associated swap arrangements.
4. All payments required to be made by the Council hereunder shall be calculated without reference to any set-off or counterclaim and shall be made free and clear of and without any deduction for or on account of any set-off or counterclaim.
5. The debt acknowledged by this Loan Instrument is fully transferable in whole or in part by the Registered Holder by an instrument in writing in accordance with the Stock Transfer Act 1963 delivered to the Council who shall acknowledge and register any such transfer. In the event of a transfer of part of the debt acknowledged by this Loan Instrument, the Council will issue a Loan Instrument to the Registered Holder for the debt under this Loan Instrument as reduced by the amount transferred and will issue a new Loan Instrument to the transferee on the same terms set out in this Loan Instrument for an amount equal to the debt transferred by the Registered Holder. Further, the Council will give effect to and conform to any registration requirements imposed by virtue of statute, practice or otherwise and will provide the Registered Holder with any relevant documentation within the time period imposed by the statute, practice or otherwise.
6. This Loan Instrument is redeemable by remittance of cleared funds to the Registered Holder's nominated bank account on the date for repayment of Principal specified in the above Schedule or on the date for prepayment in accordance with condition 7 below.
7. If the Registered Holder notifies the Council by not less than two Business Days prior notice that an increase in the rate of interest will occur on a Lender's Option Date, then the Council may, if it has given the Registered Holder prior written notice to that effect by no later than 5.00pm on the Business Day preceding such proposed increase, prepay without penalty the Principal on the date of such proposed increase, together with accrued interest thereon to the day of prepayment provided that the Council shall have no such right of prepayment in respect of an increase in the rate of interest from 3.40% per annum to 4.75% per annum occurring on 31st August 2007 as specified in the above Schedule. The Council may also, if it has given to the Registered Holder prior written notice to that effect by no later than 5.00pm on the Business Day preceding the proposed day of prepayment, prepay the principal on the next interest payment date after 31st August 2007, together with accrued interest and any broken funding and associated financing costs incurred by

PUBLIC DISCLOSED COPY

the Registered Holder (if any) arising from the early termination of the funding and associated financing arrangements for this loan including; for the avoidance of doubt, any costs and expenses incurred in connection with any associated swap arrangements. The Council shall not be entitled to prepay the Principal except at the times and in the manner expressly provided in this Loan Instrument.

8. If the UK moves to the third stage of Economic Monetary Union, the Registered Holder shall be entitled to make such changes to this Loan Instrument as it reasonably considers are necessary to reflect the changeover to the Euro.

9. In this Loan Instrument, the following terms shall have the following meanings:-

"Business Day" means a day (excluding Saturdays) on which the Bank is ordinarily open to effect transactions of the kind contemplated in this Loan Instrument.

"Lender's Option Date" means the 31st August 2007 and each period of six months thereafter.

EXECUTED on behalf of Wolverhampton City Council on the 6 day of February, 2004.

By:



Authorised Signatory

W M WILLIAMS

Deputy Director of Finance

Name and Title of
Authorised Signatory



Authorised Signatory

B BAILEY

Director of Finance & Physical Resources

Name and Title of
Authorised Signatory

LOB09

Mr M. Williams
Deputy Director of Finance
Finance Department
Wolverhampton City Council
Civic Centre
St Peter's Square
Wolverhampton
West Midlands, WV1 1SH

Local Authority Unit
54 Lombard Street
London
EC3V 9EX
Tel 020 7699 5000
Fax 0870 242 2754
www.barclays.com

BARCLAYS

11th February 2004

Dear Mr Williams,

Barclays Bank PLC ("the Bank") has pleasure in confirming the following loan facility that was executed on 9th February 2004 with Wolverhampton City Council ("the Council"):-

- Amount: - £5,000,000 (Five Million Pounds)
- Date of Drawdown: - 29th October 2004
- Date of Repayment: - 31st October 2044
- Period: - 40 Years.
- Interest Rate: - (a) 3.40% Fixed per annum during the period from 29th October 2004 to, but excluding, 29th October 2007 and thereafter 4.75% per annum,
or,
(b) In the event of the Bank exercising its option to increase the rate on any Lender's Option Date, the rate per annum notified to the Council by the Bank prior to such Lender's Option Date.

Please note that the nature of this loan is that the interest rate may increase at a time that you may consider disadvantageous to you.

- Interest Payment: - Six monthly, in accordance with the provision of a Loan Instrument in the attached form.
- Prepayment: - In the event of any proposed increase in the rate of interest, the Council may prepay the Loan in whole without penalty on the date of such proposed increase provided that the Council shall have no such right of prepayment in respect of an increase in the rate of interest from 3.40% per annum to 4.75% per annum occurring on 29th October 2007 and not otherwise.

CONDITIONS:

1. The amount of this Loan Instrument is acknowledged to be a debt payable to the Registered Holder by the Council.
2. Interest is payable from the date of drawdown on the face of this Loan Instrument, shall accrue from day to day and shall be calculated on the basis of a year of 365 days (or on such other day count basis as the Bank considers is consistent with the then applicable market practice) and the actual number of days elapsed. Interest shall be remitted in cleared funds on the dates specified in the above Schedule to the Registered Holder's nominated bank account.
3. Payment default of any part of any sum due under this Loan Instrument shall entitle the Registered Holder to call for immediate repayment of the Principal together with all interest then accrued and together with any broken funding and associated financing costs thereby incurred arising from the early termination of the funding and associated financing arrangements for this loan including, for the avoidance of doubt, any costs and expenses incurred in connection with any associated swap arrangements.
4. All payments required to be made by the Council hereunder shall be calculated without reference to any set-off or counterclaim and shall be made free and clear of and without any deduction for or on account of any set-off or counterclaim.
5. The debt acknowledged by this Loan Instrument is fully transferable in whole or in part by the Registered Holder by an instrument in writing in accordance with the Stock Transfer Act 1963 delivered to the Council who shall acknowledge and register any such transfer. In the event of a transfer of part of the debt acknowledged by this Loan Instrument, the Council will issue a Loan Instrument to the Registered Holder for the debt under this Loan Instrument as reduced by the amount transferred and will issue a new Loan Instrument to the transferee on the same terms set out in this Loan Instrument for an amount equal to the debt transferred by the Registered Holder. Further, the Council will give effect to and conform to any registration requirements imposed by virtue of statute, practice or otherwise and will provide the Registered Holder with any relevant documentation within the time period imposed by the statute, practice or otherwise.
6. This Loan Instrument is redeemable by remittance of cleared funds to the Registered Holder's nominated bank account on the date for repayment of Principal specified in the above Schedule or on the date for prepayment in accordance with condition 7 below.
7. If the Registered Holder notifies the Council by not less than two Business Days prior notice that an increase in the rate of interest will occur on a Lender's Option Date, then the Council may, if it has given the Registered Holder prior written notice to that effect by no later than 5.00pm on the Business Day preceding such proposed increase, prepay without penalty the Principal on the date of such proposed increase, together with accrued interest thereon to the day of prepayment provided that the Council shall have no such right of prepayment in respect of an increase in the rate of interest from 3.40% per annum to 4.75% per annum occurring on 29th October 2007 as specified in the above Schedule. The Council may also, if it has given to the Registered Holder prior written notice to that effect by no later than 5.00pm on the Business Day preceding the proposed day of prepayment, prepay the principal on the next interest payment date after 29th October 2007, together with accrued interest and any broken funding and associated financing costs incurred by

the Registered Holder (if any) arising from the early termination of the funding and associated financing arrangements for this loan including, for the avoidance of doubt, any costs and expenses incurred in connection with any associated swap arrangements. The Council shall not be entitled to prepay the Principal except at the times and in the manner expressly provided in this Loan Instrument.

8. If the UK moves to the third stage of Economic Monetary Union, the Registered Holder shall be entitled to make such changes to this Loan Instrument as it reasonably considers are necessary to reflect the changeover to the Euro.
9. In this Loan Instrument, the following terms shall have the following meanings:-

"Business Day" means a day (excluding Saturdays) on which the Bank is ordinarily open to effect transactions of the kind contemplated in this Loan Instrument.

"Lender's Option Date" means the 29th October 2007 and each period of six months thereafter.

EXECUTED on behalf of Wolverhampton City Council on the 12 day of February 2004.

By:



Authorised Signatory

W M WILLIAMS

Deputy Director of Finance

Name and Title of
Authorised Signatory



Authorised Signatory

B BAILEY

Director of Finance & Physical Resources

Name and Title of
Authorised Signatory

WOLVERHAMPTON CITY COUNCIL

LOAN INSTRUMENT NUMBER: 6/2004

Wolverhampton City Council ("the Council") acknowledges the receipt of the loan on the terms specified in the Schedule below and subject to the Conditions endorsed in this certificate.

THE SCHEDULE

- REGISTERED HOLDER:** Danske Bank AS London Branch
- AMOUNT OF PRINCIPAL:** £5,000,000. (Five Million Pounds).
- ADVANCE DATE:** 1st December 2004
- INTEREST:**
- (a) 3.99% fixed per annum during the period from 1 December 2004 to, but excluding 1 December 2007 and thereafter 4.95% per annum. For the avoidance of doubt, the first and final interest periods shall be short periods. (In the event that such interest payment date falls on a day which is not a London business day, the interest payment date will be on the next London business day unless that day is in the following month in which case it shall be the proceeding London business day). Interest to be computed on an Actual 365 (Fixed) basis. Interest will be calculated on the actual number of days elapsed in each interest period;
 - (b) the Registered Holder has the right on 1 December 2007 and on every interest rate payment date falling on the date that is 6 months after the proceeding LOBO Date thereafter, by means of notice three London business days prior to the effective date, to alter the Interest (to a rate calculated by Registered Holder) and, if notice is given, Clause 5 will apply. All dates are subject to the adjusted modified following business day rule.
- DATE OF REPAYMENT OF PRINCIPAL:** 1 December 2044.
- AMOUNT OF REPAYMENT OF PRINCIPAL:** £5,000,000. (Five Million Pounds).

CONDITIONS:

1. The amount of this Loan Instrument is acknowledged to be a debt payable to the Registered Holder by the Council.
2. Interest is payable from the Advance Date specified in the above Schedule and shall be remitted in cleared funds on the dates specified in the above Schedule to the Registered Holder's nominated bank account.
3. The Council will at all times take all steps and make all such payments to the Registered Holder as may be necessary from time to time to ensure that the gross amount of all payments due in respect of the Loan is paid to the Registered Holder, free and clear of UK Taxes, subject to the Registered Holder procuring evidence from the UK Inland Revenue that the Registered Holder is entitled to receive such payments gross.
4. The debt acknowledged by this Loan Instrument is fully transferable by the Registered Holder by an instrument in writing in accordance with the Stock Transfer Act 1963 delivered to the Registrar of Loan Instruments of the Council, who shall acknowledge and register any such transfer.
5. This Loan Instrument is redeemable by remittance of cleared funds to the Registered Holder's nominated bank account on the date specified for repayment in the above schedule and, save as mentioned below in this paragraph, not on an earlier date. If the Registered Holder exercises the right to alter the Interest then the Council may prepay the amount of Principal and all accrued interest thereon on the date the interest is altered without penalty, subject to receipt of notice by the Registered Holder no later than 5.00 p.m. The amount payable to redeem this Loan Instrument on a date on which the interest is altered is the Principal and all accrued interest thereon. All notices regarding alteration to the Interest from the Registered Holder will be issued no later than 12.00 noon three London business days prior to the effective date.

This Loan Instrument is in compliance with Section 43 (4) and (5) of the Local Government and Housing Act 1989.

By: ...

Name: W M Williams

Title: DEPUTY DIRECTOR OF FINANCE
WOLVERHAMPTON CITY COUNCIL

WOLVERHAMPTON CITY COUNCIL

Certificate of particulars of loan

This is to certify pursuant to regulation 9(7) of the Local Authorities (Borrowing) Regulations 1990 (as amended) that the Register of Loan maintained by the Council contains the following particulars in respect of money borrowed by the Council by means of Loan Instrument number referred to in the Register.

-
- REGISTERED HOLDER:** Danske Bank AS London Branch
- AMOUNT OF PRINCIPAL:** £5,000,000. (Five Million Pounds).
- ADVANCE DATE:** 1st December 2004
- INTEREST:**
- (a) 3.99% fixed per annum during the period from 1 December 2004 to, but excluding 1 December 2007 and thereafter 4.95% per annum. For the avoidance of doubt, the first and final interest periods shall be short periods. (In the event that such interest payment date falls on a day which is not a London business day, the interest payment date will be on the next London business day unless that day is in the following month in which case it shall be the proceeding London business day). Interest to be computed on an Actual 365 (Fixed) basis. Interest will be calculated on the actual number of days elapsed in each interest period;
 - (b) the Registered Holder has the right on 1 December 2007 and on every interest rate payment date falling on the date that is 6 months after the proceeding LOBO Date thereafter, by means of notice three London business days prior to the effective date, to alter the Interest (to a rate calculated by Registered Holder) and, if notice is given, Clause 5 will apply. All dates are subject to the adjusted modified following business day rule.

EXECUTED on behalf of

By
Authorised Signatory

Name: W M WILLIAMS

Title: DEPUTY DIRECTOR OF FINANCE
WOLVERHAMPTON CITY COUNCIL

Date: 2nd December 2004

LOBO 10

FAX MESSAGE



London Branch
75 King Wilhem Street
London
EC4N 7DT

17 May 2004

To
Fax No 01902 554406
Company Wolverhampton City Council
Department
Attention Mike Williams

From
Department Client Services
Fax No
Telephone No
Reference

Message CONFIRMATION

Dear Sirs

The purpose of this letter is to set forth the terms and conditions of the above transaction entered into between us on the Trade Date referred to below.

- 1. Trade Date : 14 May 2004
- 2. Trade Type : Prime Step-Up LOBO
- 3. Coupon : 1 December 2004 - 3 December 2007 - 3.99%
3 December 2007 - 1 December 2044 - 4.95% subject to LOBO Terms.
- 4. Value Date : 1 December 2004
- 5. Nominal : GBP5,000,000.00
- 6. LOBO Details : LOBO effective from 3 December 2007 and 6 monthly thereafter on the dates stated below. All notices regarding alteration to the interest will be given no later than 12:00 noon two business days prior to the date from which the new interest rate will be effective.
- 7. Maturity : 1 December 2044
- 8. Lender : Danske Bank A/S London Branch
- 9. Borrower : Wolverhampton City Council
- 10. Settlement Details: [REDACTED]

11. Required Documentation:

1. Loan Instrument and Certificate.
2. Certified copy of the Councils Treasury Management Policy Statement.
3. Certified copy of the Minutes of the Cabinet meeting where the Treasury Management Policy Statement was formally adopted.
4. Confirmation of the identity and copy of signature of the Officer who is acting on behalf of Wolverhampton City Council.
5. Copies of signatures of any other officers appointed/authorised by the delegated officer to act on his/her behalf.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing a copy of the Confirmation and returning it to Client Services [REDACTED]

Danske Bank

[REDACTED]

[REDACTED]

Wolverhampton City Council

[REDACTED]

[REDACTED]

Authorised Signature

Deputy Director of Finance

18 May 2004

Authorised Signature

Coordinating Director of Finance and Physical Resources

18 May 2004

LOB011

Local Authority Unit
54 Lombard Street
London
EC3V 9EX

Tel 020 7699 5000
Fax 0870 242 2754

www.barclays.com

Mr Brian Bailey
Co-ordinating Director for Finance & Physical Resources
Wolverhampton City Council
Civic Centre, St. Peter's Square
Wolverhampton
West Midlands, WV1 1RL

16th August 2004

BARCLAYS

Dear Mr Bailey,

Barclays Bank PLC ("the Bank") has pleasure in confirming the following loan facility that was executed on 2nd August 2004 with Wolverhampton City Council ("the Council"):

- Amount: £5,000,000 (Five Million Pounds)
- Date of Drawdown: 23rd May 2005
- Date of Repayment: 23rd May 2045
- Period: 40 years
- Interest Rate:
 - (a) 3.50% fixed per annum during the period from 23rd May 2005 to, but excluding, 23rd May 2008 and thereafter 4.95% per annum,
 - or
 - (b) In the event of the Bank exercising its option to increase the rate on any Lender's Option Date (as defined in the Loan Instrument), the rate per annum notified to the Council by the Bank prior to such Lender's Option Date.

Please note that the nature of this loan is that the interest rate may increase at a time that you may consider disadvantageous to you.

Interest Payment: Six-monthly, in accordance with provisions of a Loan Instrument in the attached form.

Prepayment: In the event of any proposed increase in the rate of interest, the Council may prepay the Loan in whole without penalty on the date of such proposed increase provided that the Council shall have no such right of prepayment in respect of an increase in the rate of interest from 3.50% per annum to 4.95% per annum occurring on 23rd May 2008 and not otherwise.

Terms and Conditions: In accordance with a Loan Instrument in the attached form.

Funding Costs: The terms and conditions referred to above include in Condition 4 an obligation on the Council to pay the Bank an amount which preserves the economic equivalent of the interest payments if (i) the proposed loan is not drawn down or (ii) the loan is repaid or prepaid (otherwise than on (a) the date specified above or (b) any date permitted following a proposed increase in the rate of interest) or (iii) the Bank makes a demand for early repayment following a default.

- Conditions Precedent:
- (a) The original of this Loan Confirmation Letter duly signed on behalf of the Council.
 - (b) Execution of a Loan Instrument in the attached form.
 - (c) A list of authorised signatories of the Council who are able to execute the Loan Instrument.
 - (d) Certified copies of appropriate documents (e.g. Council minutes, Standing Orders) evidencing the power of the signatory to the Loan Instrument to execute such instrument on behalf of the Council.
 - (e) A copy of the covering letter, in the attached form, drawn up on Council headed notepaper.

Please indicate your confirmation of the above terms and your commitment to provide a signed Loan Instrument in the attached form, by signing and returning a copy of this letter by fax (020 7699 4721) with the originals to follow by post.

Yours sincerely


For & on behalf of
Barclays Bank PLC

- (a) I confirm acceptance of the loan, the terms of which shall be in accordance with this letter and by signing this letter I agree that the provisions of Condition 4 of the Loan Instrument will apply as if they were set out in full in this letter.
- (b) I confirm that the Council will execute a Loan Instrument in the attached form and will post it to you prior to drawdown.

Signature

Date

23/08/2004

Print Name WM WILLIAMS

Position

Deputy Director of Finance

For & on behalf of Wolverhampton City Council

Form of Loan Instrument

*Reissued
Jan 2006
2005/1 (2)*

LOCAL AUTHORITY LOAN INSTRUMENT CERTIFICATE NUMBER 2005/1

Wolverhampton City Council ("the Council") acknowledges receipt of the loan on the terms specified in the Schedule below and subject to the Conditions endorsed in this certificate.

THE SCHEDULE

REGISTERED HOLDER: BARCLAYS BANK PLC

AMOUNT OF PRINCIPAL: £5,000,000 (Five Million Pounds).

DATE ACCEPTED: 2nd August 2004

DATE OF DRAWDOWN: 23rd May 2005

INTEREST: Interest on the Principal shall accrue at: -

a) 3.50% per annum during the period from 23rd May 2005 to, but excluding, 23rd May 2008 and thereafter at 4.95% per annum

or,

b) (if the Registered Holder notifies the Council not less than two Business Days prior to any Lender's Option Date) at the rate so notified with effect from such Lender's Option Date, interest being payable in arrears on 23rd November and 23rd May in each year.

In the event that any date on which interest is due to be paid hereunder is not a Business Day, then such interest shall be paid on the next Business Day unless that Business Day is in the following month in which case such interest shall be paid on the Business Day immediately preceding such interest payment date.

DATE OF REPAYMENT OF PRINCIPAL: 23rd May 2045

AMOUNT OF REPAYMENT OF PRINCIPAL: £5,000,000. (Five Million Pounds)

CONDITIONS:

1. The amount of this Loan Instrument is acknowledged to be a debt payable to the Registered Holder by the Council.
2. Interest is payable from the date of drawdown on the face of this Loan Instrument, shall accrue from day to day and shall be calculated on the basis of a year of 365 days (or on such other day count basis as the Registered Holder considers is consistent with the then applicable market practice) and the actual number of days elapsed. Interest shall be remitted in cleared funds on the dates specified in the above Schedule to the Registered Holder's nominated bank account.
3. Payment default of any part of the debt under this Loan Instrument shall entitle the Registered Holder to call for immediate repayment of the Principal together with all interest then accrued and together with any broken funding costs thereby incurred arising from the early termination of the funding arrangements for this loan.
4. The Council acknowledges that the Registered Holder has agreed the rate of interest on the basis that the Principal will be outstanding until the specified date in the schedule or if earlier, the date of any proposed increase in the interest rate, being a Lender's Option Date, and if:
 - (i) the Principal is repaid by the Council on a day other than on a Lender's Option Date or on the specified date in the Schedule for repayment of Principal; or
 - (ii) the full amount of the loan is not drawn on the drawdown date for any reason, in each case as referred to in the above Schedule (excluding any default by the Registered Holder); or
 - (iii) the Registered Holder makes a demand for repayment pursuant to Condition 3 above,the Council will pay to the Registered Holder on demand any amount which the Registered Holder shall determine (acting in good faith) to be required by the Registered Holder to preserve the economic equivalent of the interest payments that the Registered Holder would otherwise have been entitled to receive from the Council in connection with the loan until the specified date in the schedule for repayment of Principal or, if earlier, the date of any proposed increase in the interest rate, being a Lender's Option Date.
5. All payments required to be made by the Council hereunder shall be calculated without reference to any set-off or counterclaim and shall be made free and clear of and without any deduction for or on account of any set-off or counterclaim.
6. The debt acknowledged by this Loan Instrument is fully transferable in whole or in part by the Registered Holder by an instrument in writing in accordance with the Stock Transfer Act 1963 delivered to the Council who shall acknowledge and register any such transfer. In the event of a transfer of part of the debt acknowledged by this Loan Instrument, the Council will issue a Loan Instrument to the Registered Holder for the debt under this Loan Instrument as reduced by the amount transferred and will issue a new Loan Instrument to the transferee on the same terms set out in this Loan Instrument for an amount equal to the debt transferred by the Registered Holder. Further, the Council will give effect to and conform to any registration requirements imposed by virtue of statute, practice or otherwise and will provide the Registered Holder with any relevant documentation within the time period imposed by the statute, practice or otherwise.
7. This Loan Instrument is redeemable by remittance of cleared funds to the Registered Holder's nominated bank account on the date for repayment of Principal specified in the above Schedule or on the date for repayment in accordance with condition 8 below.

8. If the Registered Holder notifies the Council by not less than two Business Days prior notice that an increase in the rate of interest will occur on a Lender's Option Date, then the Council may, if it has given the Registered Holder prior written notice to that effect by no later than 5.00pm on the Business Day preceding such proposed increase, prepay without penalty the Principal on the date of such proposed increase, together with accrued interest thereon to the day of prepayment, provided that the Council shall have no such right of prepayment in respect of an increase in the rate of interest from 3.50% per annum to 4.95% per annum occurring on 23rd May 2008 as specified in the above Schedule. The Council may also, if it has given to the Registered Holder prior written notice to that effect by no later than 5.00pm on the Business Day preceding the proposed day of prepayment, prepay the Principal on the next interest payment date, together with accrued interest and any broken costs incurred by the Registered Holder (if any) arising from the early termination of the funding arrangements for this loan and any amount payable pursuant to Condition 4 above. The Council shall not be entitled to prepay the Principal except at the times and in the manner expressly provided in this Loan Instrument.

9. In this Loan Instrument, the following terms shall have the following meanings:-

"Business Day" means a day (excluding Saturdays) on which the Bank is ordinarily open to effect transactions of the kind contemplated in this Loan Instrument.

"Lender's Option Date" means the 23rd May 2008 and each period of six months thereafter.

EXECUTED on behalf of Wolverhampton City Council on the 23 day of August, 2004.

By:

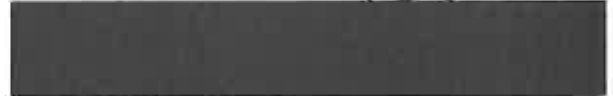


Authorised Signatory

W M WILLIAMS

Deputy Director of Finance

Name and Title of
Authorised Signatory



Authorised Signatory

B BAILEY

Director of Finance and Physical Resources

Name and Title of
Authorised Signatory

LOBOR

Local Authority Unit
54 Lombard Street
London
EC3V 9EX
Tel 020 7699 5000
Fax 0870 242 2754
www.barclays.com

Mr Brian Bailey
Co-ordinating Director for Finance & Physical Resources
Wolverhampton City Council
Civic Centre, St. Peter's Square
Wolverhampton
West Midlands, WV1 1RL

BARCLAYS

16th August 2004

Dear Mr Bailey,

Barclays Bank PLC ("the Bank") has pleasure in confirming the following loan facility that was executed on 2nd August 2004 with Wolverhampton City Council ("the Council"):

- Amount: £5,000,000 (Five Million Pounds)
- Date of Drawdown: 15th June 2005
- Date of Repayment: 15th June 2045
- Period: 40 years
- Interest Rate:
 - (a) 3.50% fixed per annum during the period from 15th June 2005 to, but excluding, 16th June 2008 and thereafter 4.95% per annum,
 - or
 - (b) In the event of the Bank exercising its option to increase the rate on any Lender's Option Date (as defined in the Loan Instrument), the rate per annum notified to the Council by the Bank prior to such Lender's Option Date.

Please note that the nature of this loan is that the interest rate may increase at a time that you may consider disadvantageous to you.

Interest Payment: Six-monthly, in accordance with provisions of a Loan Instrument in the attached form.

Prepayment: In the event of any proposed increase in the rate of interest, the Council may prepay the Loan in whole without penalty on the date of such proposed increase provided that the Council shall have no such right of prepayment in respect of an increase in the rate of interest from 3.50% per annum to 4.95% per annum occurring on 16th June 2008 and not otherwise.

Barclays Bank PLC is regulated by the Financial Services Authority. Barclays Bank PLC represents only the Legal & General Marketing Group of companies for life insurance, pensions and other trusts. Registered in England. Registered No. 02067. Registered Office: 54 Lombard Street, London EC3V 9BA.

Terms and Conditions: In accordance with a Loan Instrument in the attached form.

Funding Costs: The terms and conditions referred to above include in Condition 4 an obligation on the Council to pay the Bank an amount which preserves the economic equivalent of the interest payments if (i) the proposed loan is not drawn down or (ii) the loan is repaid or prepaid (otherwise than on (a) the date specified above or (b) any date permitted following a proposed increase in the rate of interest) or (iii) the Bank makes a demand for early repayment following a default.


- Conditions Precedent:
- (a) The original of this Loan Confirmation Letter duly signed on behalf of the Council.
 - (b) Execution of a Loan Instrument in the attached form.
 - (c) A list of authorised signatories of the Council who are able to execute the Loan Instrument.
 - (d) Certified copies of appropriate documents (e.g. Council minutes, Standing Orders) evidencing the power of the signatory to the Loan Instrument to execute such instrument on behalf of the Council.
 - (e) A copy of the covering letter, in the attached form, drawn up on Council headed notepaper.

Please indicate your confirmation of the above terms and your commitment to provide a signed Loan Instrument in the attached form, by signing and returning a copy of this letter by fax (020 7699 4721) with the originals to follow by post.

Yours sincerely


For & on behalf of
Barclays Bank PLC

- (a) I confirm acceptance of the loan, the terms of which shall be in accordance with this letter and by signing this letter I agree that the provisions of Condition 4 of the Loan Instrument will apply as if they were set out in full in this letter.
- (b) I confirm that the Council will execute a Loan Instrument in the attached form and will post it to you prior to drawdown.

Signature 

Date 23/08/2004

Print Name W M WILLIAMS

Position Deputy Director of Finance

For & on behalf of Wolverhampton City Council

-2-
PUBLIC DISCLOSED COPY

Form of Loan Instrument

LOCAL AUTHORITY LOAN INSTRUMENT CERTIFICATE NUMBER 2005/2

*Reissued
2005/2 (2)
Jan 06*

Wolverhampton City Council ("the Council") acknowledges receipt of the loan on the terms specified in the Schedule below and subject to the Conditions endorsed in this certificate.

THE SCHEDULE

REGISTERED HOLDER: BARCLAYS BANK PLC

AMOUNT OF PRINCIPAL: £5,000,000 (Five Million Pounds).

DATE ACCEPTED: 2nd August 2004

DATE OF DRAWDOWN: 15th June 2005

INTEREST: Interest on the Principal shall accrue at: -

- a) 3.50% per annum during the period from 15th June 2005 to, but excluding, 16th June 2008 and thereafter at 4.95% per annum;
- or,
- b) (if the Registered Holder notifies the Council not less than two Business Days prior to any Lender's Option Date) at the rate so notified with effect from such Lender's Option Date,

interest being payable in arrears on 15th December and 15th June in each year.

In the event that any date on which interest is due to be paid hereunder is not a Business Day, then such interest shall be paid on the next Business Day unless that Business Day is in the following month in which case such interest shall be paid on the Business Day immediately preceding such interest payment date.

DATE OF REPAYMENT OF PRINCIPAL: 15th June 2045

AMOUNT OF REPAYMENT OF PRINCIPAL: £5,000,000. (Five Million Pounds)

CONDITIONS:

1. The amount of this Loan Instrument is acknowledged to be a debt payable to the Registered Holder by the Council.
2. Interest is payable from the date of drawdown on the face of this Loan Instrument, shall accrue from day to day and shall be calculated on the basis of a year of 365 days (or on such other day count basis as the Registered Holder considers is consistent with the then applicable market practice) and the actual number of days elapsed. Interest shall be remitted in cleared funds on the dates specified in the above Schedule to the Registered Holder's nominated bank account.
3. Payment default of any part of the debt under this Loan Instrument shall entitle the Registered Holder to call for immediate repayment of the Principal together with all interest then accrued and together with any broken funding costs thereby incurred arising from the early termination of the funding arrangements for this loan.
4. The Council acknowledges that the Registered Holder has agreed the rate of interest on the basis that the Principal will be outstanding until the specified date in the schedule or if earlier, the date of any proposed increase in the interest rate, being a Lender's Option Date, and if:
 - (i) the Principal is repaid by the Council on a day other than on a Lender's Option Date or on the specified date in the Schedule for repayment of Principal; or
 - (ii) the full amount of the loan is not drawn on the drawdown date for any reason, in each case as referred to in the above Schedule (excluding any default by the Registered Holder); or
 - (iii) the Registered Holder makes a demand for repayment pursuant to Condition 3 above, the Council will pay to the Registered Holder on demand any amount which the Registered Holder shall determine (acting in good faith) to be required by the Registered Holder to preserve the economic equivalent of the interest payments that the Registered Holder would otherwise have been entitled to receive from the Council in connection with the loan until the specified date in the schedule for repayment of Principal or, if earlier, the date of any proposed increase in the interest rate, being a Lender's Option Date.
5. All payments required to be made by the Council hereunder shall be calculated without reference to any set-off or counterclaim and shall be made free and clear of and without any deduction for or on account of any set-off or counterclaim.
6. The debt acknowledged by this Loan Instrument is fully transferable in whole or in part by the Registered Holder by an instrument in writing in accordance with the Stock Transfer Act 1963 delivered to the Council who shall acknowledge and register any such transfer. In the event of a transfer of part of the debt acknowledged by this Loan Instrument, the Council will issue a Loan Instrument to the Registered Holder for the debt under this Loan Instrument as reduced by the amount transferred and will issue a new Loan Instrument to the transferee on the same terms set out in this Loan Instrument for an amount equal to the debt transferred by the Registered Holder. Further, the Council will give effect to and conform to any registration requirements imposed by virtue of statute, practice or otherwise and will provide the Registered Holder with any relevant documentation within the time period imposed by the statute, practice or otherwise.
7. This Loan Instrument is redeemable by remittance of cleared funds to the Registered Holder's nominated bank account on the date for repayment of Principal specified in the above Schedule or on the date for prepayment in accordance with condition 8 below.

PUBLIC DISCLOSED COPY

8. If the Registered Holder notifies the Council by not less than two Business Days prior notice that an increase in the rate of interest will occur on a Lender's Option Date, then the Council may, if it has given the Registered Holder prior written notice to that effect by no later than 5.00pm on the Business Day preceding such proposed increase, prepay without penalty the Principal on the date of such proposed increase, together with accrued interest thereon to the day of prepayment, provided that the Council shall have no such right of prepayment in respect of an increase in the rate of interest from 3.50% per annum to 4.95% per annum occurring on 16th June 2008 as specified in the above Schedule. The Council may also, if it has given to the Registered Holder prior written notice to that effect by no later than 5.00pm on the Business Day preceding the proposed day of prepayment, prepay the Principal on the next interest payment date, together with accrued interest and any broken costs incurred by the Registered Holder (if any) arising from the early termination of the funding arrangements for this loan and any amount payable pursuant to Condition 4 above. The Council shall not be entitled to prepay the Principal except at the times and in the manner expressly provided in this Loan Instrument.

9. In this Loan Instrument, the following terms shall have the following meanings:-

"Business Day" means a day (excluding Saturdays) on which the Bank is ordinarily open to effect transactions of the kind contemplated in this Loan Instrument.

"Lender's Option Date" means the 16th June 2008, then 15th December 2008 and each period of six months thereafter.

EXECUTED on behalf of Wolverhampton City Council on the 23 day of August, 2004.

By:



Authorised Signatory

W M WILLIAMS

Deputy Director of Finance

Name and Title of
Authorised Signatory



Authorised Signatory

B BAILEY

Director of Finance and Physical Resources

Name and Title of
Authorised Signatory

LOB013

Local Authority Unit
54 Lombard Street
London
EC3V 9EX

Tel 020 7699 5000
Fax 0870 242 2754

www.barclays.com

Mr Brian Bailey
Co-ordinating Director for Finance & Physical Resources
Wolverhampton City Council
Civic Centre, St. Peter's Square
Wolverhampton
West Midlands, WV1 1RL

BARCLAYS

16th August 2004

Dear Mr Bailey,

Barclays Bank PLC ("the Bank") has pleasure in confirming the following loan facility that was executed on 2nd August 2004 with Wolverhampton City Council ("the Council"):

- Amount: £5,000,000 (Five Million Pounds)
- Date of Drawdown: 4th July 2005
- Date of Repayment: 4th July 2045
- Period: 40 years
- Interest Rate:
 - (a) 3.50% fixed per annum during the period from 4th July 2005 to, but excluding, 4th July 2008 and thereafter 4.95% per annum,
 - or
 - (b) In the event of the Bank exercising its option to increase the rate on any Lender's Option Date (as defined in the Loan Instrument), the rate per annum notified to the Council by the Bank prior to such Lender's Option Date.

Called

Please note that the nature of this loan is that the interest rate may increase at a time that you may consider disadvantageous to you.

Interest Payment: Six-monthly, in accordance with provisions of a Loan Instrument in the attached form.

Prepayment: In the event of any proposed increase in the rate of interest, the Council may prepay the Loan in whole without penalty on the date of such proposed increase provided that the Council shall have no such right of prepayment in respect of an increase in the rate of interest from 3.50% per annum to 4.95% per annum occurring on 4th July 2008 and not otherwise.

Terms and Conditions: In accordance with a Loan Instrument in the attached form.

Funding Costs: The terms and conditions referred to above include in Condition 4 an obligation on the Council to pay the Bank an amount which preserves the economic equivalent of the interest payments if (i) the proposed loan is not drawn down or (ii) the loan is repaid or prepaid (otherwise than on (a) the date specified above or (b) any date permitted following a proposed increase in the rate of interest) or (iii) the Bank makes a demand for early repayment following a default.

- Conditions Precedent:
- (a) The original of this Loan Confirmation Letter duly signed on behalf of the Council.
 - (b) Execution of a Loan Instrument in the attached form.
 - (c) A list of authorised signatories of the Council who are able to execute the Loan Instrument.
 - (d) Certified copies of appropriate documents (e.g. Council minutes, Standing Orders) evidencing the power of the signatory to the Loan Instrument to execute such instrument on behalf of the Council.
 - (e) A copy of the covering letter, in the attached form, drawn up on Council headed notepaper.

Please indicate your confirmation of the above terms and your commitment to provide a signed Loan Instrument in the attached form, by signing and returning a copy of this letter by fax (020 7699 4721) with the originals to follow by post.

Yours sincerely


For & on behalf of
Barclays Bank PLC

- (a) I confirm acceptance of the loan, the terms of which shall be in accordance with this letter and by signing this letter I agree that the provisions of Condition 4 of the Loan Instrument will apply as if they were set out in full in this letter.
- (b) I confirm that the Council will execute a Loan Instrument in the attached form and will post it to you prior to drawdown.

Signature

Date

23/08/2004

Print Name

WM WILLIAMS

Position

Deputy Director of Finance

For & on behalf of Wolverhampton City Council

Form of Loan Instrument

Reissued
Jan 06
2005/3 (2)

LOCAL AUTHORITY LOAN INSTRUMENT CERTIFICATE NUMBER 2005/3

Wolverhampton City Council ("the Council") acknowledges receipt of the loan on the terms specified in the Schedule below and subject to the Conditions endorsed in this certificate.

THE SCHEDULE

REGISTERED HOLDER: BARCLAYS BANK PLC

AMOUNT OF PRINCIPAL: £5,000,000 (Five Million Pounds).

DATE ACCEPTED: 2nd August 2004

DATE OF DRAWDOWN: 4th July 2005

INTEREST: Interest on the Principal shall accrue at -

a) 3.50% per annum during the period from 4th July 2005 to, but excluding, 4th July 2008 and thereafter at 4.95% per annum;

or,

b) (if the Registered Holder notifies the Council not less than two Business Days prior to any Lender's Option Date) at the rate so notified with effect from such Lender's Option Date, interest being payable in arrears on 4th January and 4th July in each year.

In the event that any date on which interest is due to be paid hereunder is not a Business Day, then such interest shall be paid on the next Business Day unless that Business Day is in the following month in which case such interest shall be paid on the Business Day immediately preceding such interest payment date.

DATE OF REPAYMENT OF PRINCIPAL: 4th July 2045

AMOUNT OF REPAYMENT OF PRINCIPAL: £5,000,000. (Five Million Pounds)

CONDITIONS:

1. The amount of this Loan Instrument is acknowledged to be a debt payable to the Registered Holder by the Council.
2. Interest is payable from the date of drawdown on the face of this Loan Instrument, shall accrue from day to day and shall be calculated on the basis of a year of 365 days (or on such other day count basis as the Registered Holder considers is consistent with the then applicable market practice) and the actual number of days elapsed. Interest shall be remitted in cleared funds on the dates specified in the above Schedule to the Registered Holder's nominated bank account.
3. Payment default of any part of the debt under this Loan Instrument shall entitle the Registered Holder to call for immediate repayment of the Principal together with all interest then accrued and together with any broken funding costs thereby incurred arising from the early termination of the funding arrangements for this loan.
4. The Council acknowledges that the Registered Holder has agreed the rate of interest on the basis that the Principal will be outstanding until the specified date in the schedule or if earlier, the date of any proposed increase in the interest rate, being a Lender's Option Date, and if:
 - (i) the Principal is repaid by the Council on a day other than on a Lender's Option Date or on the specified date in the Schedule for repayment of Principal; or
 - (ii) the full amount of the loan is not drawn on the drawdown date for any reason, in each case as referred to in the above Schedule (excluding any default by the Registered Holder); or
 - (iii) the Registered Holder makes a demand for repayment pursuant to Condition 3 above,the Council will pay to the Registered Holder on demand any amount which the Registered Holder shall determine (acting in good faith) to be required by the Registered Holder to preserve the economic equivalent of the interest payments that the Registered Holder would otherwise have been entitled to receive from the Council in connection with the loan until the specified date in the schedule for repayment of Principal or, if earlier, the date of any proposed increase in the interest rate, being a Lender's Option Date.
5. All payments required to be made by the Council hereunder shall be calculated without reference to any set-off or counterclaim and shall be made free and clear of and without any deduction for or on account of any set-off or counterclaim.
6. The debt acknowledged by this Loan Instrument is fully transferable in whole or in part by the Registered Holder by an instrument in writing in accordance with the Stock Transfer Act 1963 delivered to the Council who shall acknowledge and register any such transfer. In the event of a transfer of part of the debt acknowledged by this Loan Instrument, the Council will issue a Loan Instrument to the Registered Holder for the debt under this Loan Instrument as reduced by the amount transferred and will issue a new Loan Instrument to the transferee on the same terms set out in this Loan Instrument for an amount equal to the debt transferred by the Registered Holder. Further, the Council will give effect to and conform to any registration requirements imposed by virtue of statute, practice or otherwise and will provide the Registered Holder with any relevant documentation within the time period imposed by the statute, practice or otherwise.
7. This Loan Instrument is redeemable by remittance of cleared funds to the Registered Holder's nominated bank account on the date for repayment of Principal specified in the above Schedule or on the date for prepayment in accordance with condition 8 below.

8. If the Registered Holder notifies the Council by not less than two Business Days prior notice that an increase in the rate of interest will occur on a Lender's Option Date, then the Council may, if it has given the Registered Holder prior written notice to that effect by no later than 5.00pm on the Business Day preceding such proposed increase, prepay without penalty the Principal on the date of such proposed increase, together with accrued interest thereon to the day of prepayment, provided that the Council shall have no such right of prepayment in respect of an increase in the rate of interest from 3.50% per annum to 4.95% per annum occurring on 4th July 2008 as specified in the above Schedule. The Council may also, if it has given to the Registered Holder prior written notice to that effect by no later than 5.00pm on the Business Day preceding the proposed day of prepayment, prepay the Principal on the next interest payment date, together with accrued interest and any broken costs incurred by the Registered Holder (if any) arising from the early termination of the funding arrangements for this loan and any amount payable pursuant to Condition 4 above. The Council shall not be entitled to prepay the Principal except at the times and in the manner expressly provided in this Loan Instrument.

9. In this Loan Instrument, the following terms shall have the following meanings:-

“Business Day” means a day (excluding Saturdays) on which the Bank is ordinarily open to effect transactions of the kind contemplated in this Loan Instrument.

“Lender's Option Date” means the 4th July 2008, and each period of six months thereafter.

EXECUTED on behalf of Wolverhampton City Council on the 23 day of August, 2004.

By:

[Redacted Signature]

Authorised Signatory

W M WILLIAMS

Deputy Director of Finance

Name and Title of
Authorised Signatory

[Redacted Signature]

Authorised Signatory

B BAILEY

Director of Finance and Physical Resources

Name and Title of
Authorised Signatory



Wolverhampton City Council
Civic Centre
St. Peters Square
Wolverhampton WV1 1SH

Attention of: Mike Williams

05/10/04

Local Authority Loan Confirmation

Dear Sir/Madam

We are pleased to confirm the Terms and Conditions of the Loan Transaction (the "Loan") entered into between DePfa-Bank Plc (the "Bank") and Wolverhampton City Council (the Borrower) as follows.

Trade Date: 04 October 2004

Principal Amount: GBP 7,000,000 (Seven million pounds)

Purpose of Loan: As hereinafter described

Drawdown Date: 08 October 2004

Repayment Date: Bullet repayment on the 10/10/44
In the event of a Change Event (as hereinafter described), the Borrower may prepay the Loan in whole (but not in part only) without penalty on the Interest Payment Date relevant to such Change Event.

Change Event: On 08/10/07 and semi-annually thereafter the Bank may change the Interest Rate to a new interest rate, by giving notice to the Borrower before 10.00 (London time) ten Business Days before that Interest Payment Date. The Borrower shall notify the bank of its acceptance of the new rate or of its intention to prepay the Loan before 12.00 (London time) three business days before that Interest payment Date.

Interest Rate: Unless and until a Change Event occurs 3.37% per annum, payable semi-annually from and including 08/10/04 up to and excluding the 08/10/07 and thereafter 4.75% from and including 08/10/07 up to and excluding the repayment date. Interest shall be paid on the last day of each period, for the period from and including the first day of that period to but excluding the last day of that period.

Interest Payment Dates: Semi-annual on the 08 April & 08 October commencing 08 April 2005, subject to the Adjusted Following Business Day Convention.

Interest Calculation Basis: Basis Actual/365

DEPFA BANK plc
1 Commons Street
Dublin 1, Ireland
Phone +353 1 792-2222
Fax +353 1 792-2211
www.depfa.com

Company Secretary:
Noel Keveahagh
Registered in Ireland
Company no. 348519
VAT no. IE5368819N

Board of Directors: G. Bruckermann, Dr. R. Braniner,
Dr. R. Grzesik, Prof. Dr. A. Hemmelrath
Dr. T. M. Kolbeck, J. Karcher, H. W. Reich,
Prof. Dr. Dr. h.c. mult. H. Tietmeyer (all German),
P. Dobrich (USA), J. Poes (Lux), D. M. Cahillans,
M. O'Connell, Prof. Dr. F. Ruane (all Irish)

Agreed [Redacted] Deputy Director of Finance

6/10/2004

PUBLIC DISCLOSED COPY



SCHEDULE 1.

[INSERT NAME OF COUNCIL]

LOAN INSTRUMENT NUMBER []

The Wolverhampton City Council (the "Council") acknowledges that, in connection with the provision of funds to the Council, payments and repayments are due from the Council in accordance with this Loan Instrument.

REGISTERED HOLDER: [DEPFA BANK plc]

AMOUNT OF PRINCIPAL BORROWED: [£7,000,000]

PRINCIPAL REPAYMENT DATE(S): [10/10/2044]

AMOUNT(S) OF PRINCIPAL TO BE REPAYED ON PRINCIPAL REPAYMENT DATE(S): [£7,000,000]

INTEREST COMMENCEMENT DATE: [8/10/04]

INTEREST PAYMENT DATES: [8 OCT & 8 APRIL]
EACH YEAR

INTEREST RATE/
METHOD OF CALCULATING INTEREST: [3.37% to 8/10/07]
[then 4.75% (Basis: Actual/365)]

PURPOSE OF LOAN: [To finance capital]
[Expenditure]

- A The amount of principal borrowed is repayable by the Council to the Registered Holder in the amount(s) and on the principal repayment date(s) specified above.
- B Interest is payable by the Council to the Registered Holder on the interest payment dates, calculated from the interest commencement date at the interest rate and in accordance with the method of calculating interest specified above.
- C The rights of the Registered Holder under this Loan Instrument are transferable by the Registered Holder by means of an instrument in writing in accordance with the Stock Transfer Act 1963 delivered to the Council and the Council shall acknowledge and register any such transfer.

DEPFA BANK plc
1 Commons Street
Dublin 1, Ireland
Phone +353 1 792-2222
Fax +353 1 792-2211
www.depfa.com

Company Secretary:
Noel Keating
Registered in Ireland
Company no 345819
VAT no. IE6368816N

Board of Directors: G. Bruckermann, Dr. R. Brantner,
Dr. P. Grzesik, Prof. Dr. A. Hammeirath,
Dr. T. M. Kolbeck, J. Karcher, H. W. Feich,
Prof. Dr. Dr. h.c. mult. H. Tietmeyer (all German),
F. Dobrich (USA), J. Poos (Lux), D. M. Cahillane,
M. O'Connell, Prof. Dr. F. Ruane (all Irish)

PUBLIC DISCLOSED COPY



- Status and Security:** The Borrower's obligations in respect of the Loan will be secured by a Statutory charge under Section 47(1) of the Local Government and Housing Act 1989 and such obligations and charge will rank at least pari passu with all its other lenders.
- Taxes:** The Borrower will at all time take all steps and make all such payments to the Bank as may be necessary from time to time to ensure that the gross amount of all payments due in respect of the Loan is paid to the Bank, free and clear of UK Taxes, subject to the Bank procuring evidence from the UK Inland Revenue that the Bank is entitled to receive such payments gross.
- Transferability:** The rights and obligations under the Loan are transferable by instrument in writing in accordance with the Stock Transfer Act 1963 delivered to the Borrower, which shall acknowledge and register same.
- Arranger:** Prebons Brokers
- Loan Instrument:** The Borrower shall, as soon as practical after confirming this letter, issue a formal Loan Instrument in the form set out in Schedule 1 (unless we agree otherwise) which shall be governed by the Terms and Conditions of this letter. In the event of any conflict/inconsistency between this letter and the Loan Instrument this letter will prevail.

Events of Default/

- Prepayment:** The Bank shall be entitled (by notice in writing) to call in the loan if the Borrower: (a) fails to pay any sum due; (b) is in breach of any other obligation and has failed to remedy same within 30 days of being requested to do so; (c) is unable to pay its debts as they fall due; (d) enters into any composition with its creditors, (e) is dissolved; (f) is deprived of or ceases to exercise, own or be responsible for all or any material part of its powers, functions, duties, or assets; (for the avoidance of doubt the disposal by the borrower of its housing in the terms disclosed to the Lender prior to the Drawdown date shall not constitute an event of default) or (g) transfers (or attempts to transfer) all or any of its obligations hereunder to any other person or body, or ceases to be directly responsible for the discharge of any of those obligations.

Please confirm your acceptance of these Terms and Conditions by signing and returning a copy of this letter by fax, after completing the "Additional Information Requested" section, including the Borrower's payment details, which will act as payment instructions to the Bank. Please note that the Bank's obligation to make payment under the Loan is conditional on receiving the Borrower's confirmation and acceptance of this letter within two business days of the date hereof, or by 10.00am on the Drawdown Date, whichever is earlier.

By its confirmation and acceptance of this letter, the Borrower hereby represents and warrants to the Bank that:

DEPFA BANK plc
1 Commons Street
Dublin 1, Ireland
Phone +353 1 792-2222
Fax +353 1 792-2211
www.depfa.com

Company Secretary:
Nosl Kavanagh
Registered in Ireland
Company no. 348819
VAT no. IE6568819N

Board of Directors: G. Bruckermann, Dr R. Brantner,
Dr R. Grzesik, Prof. Dr A. Herndlmeirath,
Dr T. M. Kolbeck, J. Karcher, H. W. Reich,
Prof. Dr Dr h.c. mult. H. Tietmeyer (all German),
F. Dobrich (USA), J. Poos (Lux), D. M. Cahillane,
M. O'Connell, Prof. Dr F. Ruane (all Irish)

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D This Loan Instrument is also subject to the terms and conditions of the letter from the Registered Holder addressed to the Council dated [insert date of letter] and in the event of any inconsistency or conflict between the terms of the letter and this Loan Instrument the letter will prevail.

WOLVERHAMPTON CITY COUNCIL [Name of Council] ("the Council") Certificate of particulars of a loan	
This is to certify pursuant to regulation 9(7) of the Local Authorities (Borrowing) Regulations 1990 (as amended) that the Register of Loans maintained by the Council contains the following particulars in respect of money borrowed by the Council by means of Loan Instrument number [] as referred to in the Register- (8/2004)	
Name or description of person to whom payments are due:	[DEPFA BANK PLC]
Address of person to whom payments/repayments are due:	[1 COMMONS STREET DUBLIN 1 IRELAND]
Amount of principal:	[£7,000,000]
Principal Repayment Date(s):	[10/10/2044]
Principal amount(s) to be repaid on [the] [each]	[£7,000,000]
Principal Repayment Date:	[8th October & 8th April each year]
Interest Payment Dates:	[8th October & 8th April each year]
Interest amounts (or method of calculating the same) to be paid on each Interest Payment Date:	[3.37% to 8/10/07 then 4.75% Basis: Actual/365]

EXECUTED on behalf of [Insert Name of Council] [] 2004

By:

[Redacted Signature] AUTHORIZED SIGNATORY

B. BAILEY

Name of Authorised Signatory

DIRECTOR FOR FINANCE & PHYSICAL RESOURCES

Title of Authorised Signatory

DEPFA BANK plc
1 Commons Street
Dublin 1, Ireland
Phone +353 1 792-2222
Fax +353 1 792-2211
www.depfa.com

Company Secretary:
Noel Kavanagh
Registered in Ireland
Company no. 848819
VAT no. IE6368819N

Board of Directors: G. Bruckermann, Dr R. Brantner,
Dr. R. Grzeak, Prof. Dr. A. Hammelrath,
Dr. T. M. Kolbeck, J. Karcher, H. W. Reich,
Prof. Dr. Dr. h.c. mult. H. Tietmeyer (all German),
F. Dobrich (USA), J. Poos (Lux), D. M. Cahillane,
M. O'Connell, Prof. Dr. F. Pusne (all Irish)

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- (1) the purpose of the Loan is as set out below and is a bona-fide, lawful purpose (please specify the purpose in your acceptance below, and quote the relevant statutory authority authorising this purpose);
- (2) the Borrower has the power and capacity to borrow the Loan and has taken all steps and obtained all consents and authorisations necessary to authorise such borrowing;
- (3) the Loan (i) is within the Borrower's borrowing limits; (ii) conforms to and complies with all applicable laws and governmental regulations; (iii) will not cause the Borrower to be in breach of any of its by-laws or other constitutive documents or any agreement or other arrangement with any other party; and (iv) represents valid and legally binding obligations of the Borrower enforceable in accordance with the terms hereof; and
- (4) the person(s) signing this letter in acceptance has the full power and authority to bind the Borrower.

It is a further condition of our continuing to make the Loan available that (a) the faxed version of this letter is signed in acceptance by a duly authorised officer of the Borrower and returned to us by fax within the time limit set out above, together with evidence of such officer's authority and signature identification, (b) the hard copy of this letter, being mailed to you today, is signed in acceptance by a duly authorised officer of the Borrower and returned to us, together with hard copy evidence of such officer's authority and signature identification, within ten business days of the date hereof, and (c) the Borrower continues during the term of the Loan to provide the Bank with its most recently published Statement of Accounts.

Please note that all payments to the Bank in respect of the Loan should be made as follows:

Pay to:
A/C number:
Sort Code:
For A/c of:



We are very pleased to have concluded this transaction with you. Should you have any queries on the above please do not hesitate to contact us directly.



Confirmed and accepted for and on behalf of
Wolverhampton City Council

By



Date

6/10/04

Title/Signing
Capacity

DIRECTOR FOR FINANCE & PHYSICAL RESOURCES

DEPFA BANK plc
1 Commons Street
Dublin 1, Ireland
Phone +353 1 792-2222
Fax +353 1 792-2211
www.depfa.com

Company Secretary:
Noel Kavanagh
Registered in Ireland
Company no. 848819
VAT no. IE6968819N

Board of Directors: G. Bruckermann, Dr. R. Brantner,
Dr. R. Grzesik, Prof. Dr. A. Hemmelrath,
Dr. T. M. Koibek, J. Kercher, H. W. Reich,
Prof. Dr. Dr. h.c. mult. H. Teinmeyer (all German),
F. Dobrich (USA), J. Paos (Lux), D. M. Cahillane,
M. O'Connell, Prof. Dr. F. Ruane (all Irish)

PUBLIC DISCLOSED COPY

108015

Local Authority Unit
54 Lombard Street
London
EC3V 9EX

Tel 020 7699 5000
Fax 0870 242 2754

www.barclays.com

Mr Mike Williams
Deputy Director of Finance
Finance Department
Wolverhampton City Council
Civic centre, St. Peter's Square,
Wolverhampton, West Midlands.
WV1 1RL

6th October 2004

BARCLAYS

Dear Mr Williams

Barclays Bank PLC ("the Bank") has pleasure in confirming the following loan facility that was executed on 4th October 2004 with Wolverhampton City Council ("the Council"):

- Amount: £7,000,000 (Seven Million Pounds)
- Date of Drawdown: 13th October 2004
- Date of Repayment: 13th October 2044
- Period: 40 years.
- Interest Rate:
 - (a) 3.37% fixed per annum during the period from 13th October 2004 to, but excluding, 15th October 2007 and thereafter 4.75% per annum,
 - Or
 - (b) In the event of the Bank exercising its option to increase the rate on any Lender's Option Date (as defined in the Loan Instrument), the rate per annum notified to the Council by the Bank prior to such Lender's Option Date.

Please note that the nature of this loan is that the interest rate may increase at a time that you may consider disadvantageous to you.

Interest Payment: Six-monthly, in accordance with provisions of a Loan Instrument in the attached form.

Prepayment: In the event of any proposed increase in the rate of interest, the Council may prepay the Loan in whole without penalty on the date of such proposed increase provided that the Council shall have no such right of prepayment in respect of an increase in the rate of interest from 3.37% per annum to 4.75% per annum occurring on 15th October 2007 and not otherwise.

Form of Loan Instrument

LOCAL AUTHORITY LOAN INSTRUMENT CERTIFICATE NUMBER 9/2004

Wolverhampton City Council ("the Council") acknowledges receipt of the loan on the terms specified in the Schedule below and subject to the Conditions endorsed in this certificate.

THE SCHEDULE

REGISTERED HOLDER: BARCLAYS BANK PLC

AMOUNT OF PRINCIPAL: £7,000,000. (Seven Million Pounds).

DATE ACCEPTED: 4th October 2004.

DATE OF DRAWDOWN: 13th October 2004.

INTEREST: Interest on the Principal shall accrue at -

a) 3.37% per annum during the period from 13th October 2004 to, but excluding, 15th October 2007 and thereafter at 4.75% per annum;

or,

b) (if the Registered Holder notifies the Council not less than two Business Days prior to any Lender's Option Date) at the rate so notified with effect from such Lender's Option Date,

interest being payable in arrears on 13th October and 13th April in each year.

In the event that any date on which interest is due to be paid hereunder is not a Business Day, then such interest shall be paid on the next Business Day unless that Business Day is in the following month in which case such interest shall be paid on the Business Day immediately preceding such interest payment date.

DATE OF REPAYMENT OF PRINCIPAL: 13th October 2044.

AMOUNT OF REPAYMENT OF PRINCIPAL: £7,000,000. (Seven Million Pounds).

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CONDITIONS:

1. The amount of this Loan Instrument is acknowledged to be a debt payable to the Registered Holder by the Council.
2. Interest is payable from the date of drawdown on the face of this Loan Instrument, shall accrue from day to day and shall be calculated on the basis of a year of 365 days (or on such other day count basis as the Registered Holder considers is consistent with the then applicable market practice) and the actual number of days elapsed. Interest shall be remitted in cleared funds on the dates specified in the above Schedule to the Registered Holder's nominated bank account.
3. Payment default of any part of the debt under this Loan Instrument shall entitle the Registered Holder to call for immediate repayment of the Principal together with all interest then accrued and together with any broken funding costs thereby incurred arising from the early termination of the funding arrangements for this loan.
4. The Council acknowledges that the Registered Holder has agreed the rate of interest on the basis that the Principal will be outstanding until the specified date in the schedule or if earlier, the date of any proposed increase in the interest rate, being a Lender's Option Date, and if:
 - (i) the Principal is repaid by the Council on a day other than on a Lender's Option Date or on the specified date in the Schedule for repayment of Principal; or
 - (ii) the full amount of the loan is not drawn on the drawdown date for any reason, in each case as referred to in the above Schedule (excluding any default by the Registered Holder); or
 - (iii) the Registered Holder makes a demand for repayment pursuant to Condition 3 above,the Council will pay to the Registered Holder on demand any amount which the Registered Holder shall determine (acting in good faith) to be required by the Registered Holder to preserve the economic equivalent of the interest payments that the Registered Holder would otherwise have been entitled to receive from the Council in connection with the loan until the specified date in the schedule for repayment of Principal or, if earlier, the date of any proposed increase in the interest rate, being a Lender's Option Date.
5. All payments required to be made by the Council hereunder shall be calculated without reference to any set-off or counterclaim and shall be made free and clear of and without any deduction for or on account of any set-off or counterclaim.
6. The debt acknowledged by this Loan Instrument is fully transferable in whole or in part by the Registered Holder by an instrument in writing in accordance with the Stock Transfer Act 1963 delivered to the Council who shall acknowledge and register any such transfer. In the event of a transfer of part of the debt acknowledged by this Loan Instrument, the Council will issue a Loan Instrument to the Registered Holder for the debt under this Loan Instrument as reduced by the amount transferred and will issue a new Loan Instrument to the transferee on the same terms set out in this Loan Instrument for an amount equal to the debt transferred by the Registered Holder. Further, the Council will give effect to and conform to any registration requirements imposed by virtue of statute, practice or otherwise and will provide the Registered Holder with any relevant documentation within the time period imposed by the statute, practice or otherwise.
7. This Loan Instrument is redeemable by remittance of cleared funds to the Registered Holder's nominated bank account on the date for repayment of Principal specified in the above Schedule or on the date for prepayment in accordance with condition 8 below.

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8. If the Registered Holder notifies the Council by not less than two Business Days prior notice that an increase in the rate of interest will occur on a Lender's Option Date, then the Council may, if it has given the Registered Holder prior written notice to that effect by no later than 5.00pm on the Business Day preceding such proposed increase, prepay without penalty the Principal on the date of such proposed increase, together with accrued interest thereon to the day of prepayment, provided that the Council shall have no such right of prepayment in respect of an increase in the rate of interest from 3.37% per annum to 4.75% per annum occurring on 15th October 2007 as specified in the above Schedule. The Council may also, if it has given to the Registered Holder prior written notice to that effect by no later than 5.00pm on the Business Day preceding the proposed day of prepayment, prepay the Principal on the next interest payment date, together with accrued interest and any broken costs incurred by the Registered Holder (if any) arising from the early termination of the funding arrangements for this loan and any amount payable pursuant to Condition 4 above. The Council shall not be entitled to prepay the Principal except at the times and in the manner expressly provided in this Loan Instrument.

9. In this Loan Instrument, the following terms shall have the following meanings:-

"Business Day" means a day (excluding Saturdays) on which the Bank is ordinarily open to effect transactions of the kind contemplated in this Loan Instrument.

"Lender's Option Date" means the 15th October 2007, then 13th April 2008 and each period of six months thereafter.

EXECUTED on behalf of Wolverhampton City Council on the 11th day of October, 2004.

By: 
Authorised Signatory

W. M. WILLIAMS
DEPUTY DIRECTOR OF
FINANCE
Name and Title of
Authorised Signatory


Authorised Signatory

B. BAILEY
DIRECTOR FOR FINANCE AND
PHYSICAL RESOURCES
Name and Title of
Authorised Signatory

LOBO16

Mr Mike Williams
Deputy Director of Finance
Finance Department
Wolverhampton City Council
Civic Centre, St. Peter's Square,
Wolverhampton, West Midlands.
WV1 1RL

Local Authority Unit
54 Lombard Street
London
EC3V 9EX
Tel 020 7699 5000
Fax 0870 242 2754
www.barclays.com

23rd November 2004

BARCLAYS

Dear Mr Williams,

Barclays Bank PLC ("the Bank") has pleasure in confirming the following loan facility that was executed on 23rd November 2004 with Wolverhampton City Council ("the Council"):

- Amount: £2,000,000 (Two Million Pounds)
- Date of Drawdown: 3rd December 2004
- Date of Repayment: 3rd December 2044
- Period: 40 years.
- Interest Rate:
 - (a) 3.12% fixed per annum during the period from 3rd December 2004 to, but excluding, 3rd December 2007 and thereafter 4.50% per annum,
 - or
 - (b) In the event of the Bank exercising its option to increase the rate on any Lender's Option Date (as defined in the Loan Instrument), the rate per annum notified to the Council by the Bank prior to such Lender's Option Date.

Please note that the nature of this loan is that the interest rate may increase at a time that you may consider disadvantageous to you.

Interest Payment: Six-monthly, in accordance with provisions of a Loan Instrument in the attached form.

Prepayment: In the event of any proposed increase in the rate of interest, the Council may prepay the Loan in whole without penalty on the date of such proposed increase provided that the Council shall have no such right of prepayment in respect of an increase in the rate of interest from 3.12% per annum to 4.50% per annum occurring on 3rd December 2007 and not otherwise.

Terms and Conditions: In accordance with a Loan Instrument in the attached form.

Funding Costs: The terms and conditions referred to above include in Condition 4 an obligation on the Council to pay the Bank an amount which preserves the economic equivalent of the interest payments if (i) the proposed loan is not drawn down or (ii) the loan is repaid or prepaid (otherwise than on (a) the date specified above or (b) any date permitted following a proposed increase in the rate of interest) or (iii) the Bank makes a demand for early repayment following a default.

- Conditions Precedent:
- (a) The original of this Loan Confirmation Letter duly signed on behalf of the Council.
 - (b) Execution of a Loan Instrument in the attached form.
 - (c) A list of authorised signatories of the Council who are able to execute the Loan Instrument.
 - (d) Certified copies of appropriate documents (e.g. Council minutes, Standing Orders) evidencing the power of the signatory to the Loan Instrument to execute such instrument on behalf of the Council.
 - (e) A copy of the covering letter, in the attached form, drawn up on Council headed notepaper.

Please indicate your confirmation of the above terms and your commitment to provide a signed Loan Instrument in the attached form, by signing and returning a copy of this letter by fax (020 7699 4721) with the originals to follow by post.

Y

Fo

Barclays Bank PLC

- (a) I confirm acceptance of the loan, the terms of which shall be in accordance with this letter and by signing this letter I agree that the provisions of Condition 4 of the Loan Instrument will apply as if they were set out in full in this letter.
- (b) I confirm that the Council will execute a Loan Instrument in the attached form and will post it to you prior to drawdown

Signat

Date 30/11/04

Print Name W.M. WILLIAMS Position DEPUTY DIRECTOR OF FINANCE

For & on behalf of Wolverhampton City Council

LOB016

Form of Loan Instrument

LOCAL AUTHORITY LOAN INSTRUMENT CERTIFICATE NUMBER 10/2004

Wolverhampton City Council ("the Council") acknowledges receipt of the loan on the terms specified in the Schedule below and subject to the Conditions endorsed in this certificate.

THE SCHEDULE

REGISTERED HOLDER: BARCLAYS BANK PLC

AMOUNT OF PRINCIPAL: £2,000,000. (Two Million Pounds).

DATE ACCEPTED: 23rd November 2004.

DATE OF DRAWDOWN: 3rd December 2004.

INTEREST: Interest on the Principal shall accrue at: -

- a) 3.12% per annum during the period from 3rd December 2004 to, but excluding, 3rd December 2007 and thereafter at 4.50% per annum;
- or,
- b) (if the Registered Holder notifies the Council not less than two Business Days prior to any Lender's Option Date) at the rate so notified with effect from such Lender's Option Date,

interest being payable in arrears on 3rd December and 3rd June in each year.

In the event that any date on which interest is due to be paid hereunder is not a Business Day, then such interest shall be paid on the next Business Day unless that Business Day is in the following month in which case such interest shall be paid on the Business Day immediately preceding such interest payment date.

DATE OF REPAYMENT OF PRINCIPAL:

3rd December 2044.

AMOUNT OF REPAYMENT OF PRINCIPAL:

£2,000,000. (Two Million Pounds).

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CONDITIONS:

1. The amount of this Loan Instrument is acknowledged to be a debt payable to the Registered Holder by the Council.
2. Interest is payable from the date of drawdown on the face of this Loan Instrument, shall accrue from day to day and shall be calculated on the basis of a year of 365 days (or on such other day count basis as the Registered Holder considers is consistent with the then applicable market practice) and the actual number of days elapsed. Interest shall be remitted in cleared funds on the dates specified in the above Schedule to the Registered Holder's nominated bank account.
3. Payment default of any part of the debt under this Loan Instrument shall entitle the Registered Holder to call for immediate repayment of the Principal together with all interest then accrued and together with any broken funding costs thereby incurred arising from the early termination of the funding arrangements for this loan.
4. The Council acknowledges that the Registered Holder has agreed the rate of interest on the basis that the Principal will be outstanding until the specified date in the schedule or if earlier, the date of any proposed increase in the interest rate, being a Lender's Option Date, and if:
 - (i) the Principal is repaid by the Council on a day other than on a Lender's Option Date or on the specified date in the Schedule for repayment of Principal; or
 - (ii) the full amount of the loan is not drawn on the drawdown date for any reason, in each case as referred to in the above Schedule (excluding any default by the Registered Holder); or
 - (iii) the Registered Holder makes a demand for repayment pursuant to Condition 3 above,

the Council will pay to the Registered Holder on demand any amount which the Registered Holder shall determine (acting in good faith) to be required by the Registered Holder to preserve the economic equivalent of the interest payments that the Registered Holder would otherwise have been entitled to receive from the Council in connection with the loan until the specified date in the schedule for repayment of Principal or, if earlier, the date of any proposed increase in the interest rate, being a Lender's Option Date.

5. All payments required to be made by the Council hereunder shall be calculated without reference to any set-off or counterclaim and shall be made free and clear of and without any deduction for or on account of any set-off or counterclaim.
6. The debt acknowledged by this Loan Instrument is fully transferable in whole or in part by the Registered Holder by an instrument in writing in accordance with the Stock Transfer Act 1963 delivered to the Council who shall acknowledge and register any such transfer. In the event of a transfer of part of the debt acknowledged by this Loan Instrument, the Council will issue a Loan Instrument to the Registered Holder for the debt under this Loan Instrument as reduced by the amount transferred and will issue a new Loan Instrument to the transferee on the same terms set out in this Loan Instrument for an amount equal to the debt transferred by the Registered Holder. Further, the Council will give effect to and

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conform to any registration requirements imposed by virtue of statute, practice or otherwise and will provide the Registered Holder with any relevant documentation within the time period imposed by the statute, practice or otherwise.

7. This Loan Instrument is redeemable by remittance of cleared funds to the Registered Holder's nominated bank account on the date for repayment of Principal specified in the above Schedule or on the date for prepayment in accordance with condition 8 below.
8. If the Registered Holder notifies the Council by not less than two Business Days prior notice that an increase in the rate of interest will occur on a Lender's Option Date, then the Council may, if it has given the Registered Holder prior written notice to that effect by no later than 5.00pm on the Business Day preceding such proposed increase, prepay without penalty the Principal on the date of such proposed increase, together with accrued interest thereon to the day of prepayment, provided that the Council shall have no such right of prepayment in respect of an increase in the rate of interest from 3.12% per annum to 4.50% per annum occurring on 3rd December 2007 as specified in the above Schedule. The Council may also, if it has given to the Registered Holder prior written notice to that effect by no later than 5.00pm on the Business Day preceding the proposed day of prepayment, prepay the Principal on the next interest payment date, together with accrued interest and any broken costs incurred by the Registered Holder (if any) arising from the early termination of the funding arrangements for this loan and any amount payable pursuant to Condition 4 above. The Council shall not be entitled to prepay the Principal except at the times and in the manner expressly provided in this Loan Instrument.
9. In this Loan Instrument, the following terms shall have the following meanings:-

"Business Day" means a day (excluding Saturdays) on which the Bank is ordinarily open to effect transactions of the kind contemplated in this Loan Instrument.

"Lender's Option Date" means the 3rd December 2007 and each period of six months thereafter.

EXECUTED on behalf of Wolverhampton City Council on the 30th day of November, 2004.

By:

[Redacted Signature]

Authorised Signatory
W. M. WILLIAMS

DEPUTY DIRECTOR OF FINANCE

Name and Title of
Authorised Signatory

[Redacted Signature]

Authorised Signatory
B. BAILEY

DIRECTOR FOR FINANCE AND PHYSICAL RESOURCES

Name and Title of
Authorised Signatory

PUBLIC DISCLOSED COPY

LOBO
17

Local Authority Unit
54 Lombard Street
London
EC3P 3AH

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Fax +44 (0)870 242 2754

www.barclays.com

Mr Mike Williams
Deputy Director of Finance
Department of Finance
Wolverhampton City Council
Civic Centre, St. Peter's Square,
Wolverhampton, West Midlands
WV1 1RL

27th April 2005

BARCLAYS

Dear Mr Williams,

Barclays Bank PLC ("the Bank") has pleasure in confirming the following loan facility that was executed on 21st April 2005 with Wolverhampton City Council ("the Council"):

Amount: £5,000,000 (Five Million Pounds)

Date of Drawdown: 15th August 2005

Date of Repayment: 15th August 2045

Period: 40 years.

Interest Rate: (a) 3.15% fixed per annum during the period from 15th August 2005 to, but excluding, 15th August 2008 and thereafter 4.50% per annum,

or

(b) In the event of the Bank exercising its option to increase the rate on any Lender's Option Date (as defined in the Loan Instrument), the rate per annum notified to the Council by the Bank prior to such Lender's Option Date.

Please note that the nature of this loan is that the interest rate may increase at a time that you may consider disadvantageous to you.

Interest Payment: Six-monthly, in accordance with provisions of a Loan Instrument in the attached form.

Prepayment: In the event of any proposed increase in the rate of interest, the Council may prepay the Loan in whole without penalty on the date of such proposed increase provided that the Council shall have no such right of prepayment in respect of an increase in the rate of interest from 3.15% per annum to 4.50% per annum occurring on 15th August 2008 and not otherwise.

Terms and Conditions: In accordance with a Loan Instrument in the attached form.

Funding Costs: The terms and conditions referred to above include in Condition 4 an obligation on the Council to pay the Bank an amount which preserves the economic equivalent of the interest payments if (i) the proposed loan is not drawn down or (ii) the loan is repaid or prepaid (otherwise than on (a) the date specified above or (b) any date permitted following a proposed increase in the rate of interest) or (iii) the Bank makes a demand for early repayment following a default.

- Conditions Precedent:
- (a) The original of this Loan Confirmation Letter duly signed on behalf of the Council.
 - (b) Execution of a Loan Instrument in the attached form.
 - (c) A list of authorised signatories of the Council who are able to execute the Loan Instrument.
 - (d) Certified copies of appropriate documents (e.g. Council minutes, Standing Orders) evidencing the power of the signatory to the Loan Instrument to execute such instrument on behalf of the Council.
 - (e) A copy of the covering letter, in the attached form, drawn up on Council headed notepaper.

Please indicate your confirmation of the above terms and your commitment to provide a signed Loan Instrument in the attached form, by signing and returning a copy of this letter by fax (020 7699 4721) with the originals to follow by post.

Yours sincerely



For & on behalf of
Barclays Bank PLC

- (a) I confirm acceptance of the loan, the terms of which shall be in accordance with this letter and by signing this letter I agree that the provisions of Condition 4 of the Loan Instrument will apply as if they were set out in full in this letter.
- (b) I confirm that the Council will execute a Loan Instrument in the attached form and will post it to you prior to drawdown.

Signature 

Date 3 May 2005

Print Name W.M. WILLIAMS Position DEPUTY DIRECTOR OF FINANCE

For & on behalf of Wolverhampton City Council

Form of Loan Instrument

LOCAL AUTHORITY LOAN INSTRUMENT CERTIFICATE NUMBER 2005/4

Wolverhampton City Council ("the Council") acknowledges receipt of the loan on the terms specified in the Schedule below and subject to the Conditions endorsed in this certificate.

THE SCHEDULE

REGISTERED HOLDER:	BARCLAYS BANK PLC
AMOUNT OF PRINCIPAL:	£5,000,000. (Five Million Pounds).
DATE ACCEPTED:	21 st April 2005
DATE OF DRAWDOWN:	15 th August 2005
INTEREST:	<p>Interest on the Principal shall accrue at:-</p> <p>(a) 3.15% per annum during the period from 15th August 2005 to, but excluding 15th August 2008 and thereafter at 4.5% per annum;</p> <p>or,</p> <p>(b) (if the Registered Holder notifies the Council not less than two Business Days prior to any Lender's Option Date) at the rate so notified with effect from such Lender's Option Date.</p> <p>Interest being payable in arrears on 15th August and 15th February in each year.</p> <p>In the event that any date on which interest is due to be paid hereunder is not a Business Day, then such interest shall be paid on the next Business Day unless that Business Day is in the following month in which case such interest shall be paid on the Business Day immediately preceding such interest payment date.</p>
DATE OF REPAYMENT OF PRINCIPAL:	15 th August 2045.
AMOUNT OF REPAYMENT OF PRINCIPAL:	£5,000,000. (Five Million Pounds).

CONDITIONS:

1. The amount of this Loan Instrument is acknowledged to be a debt payable to the Registered Holder by the Council.
2. Interest is payable from the date of drawdown on the face of this Loan Instrument, shall accrue from day to day and shall be calculated on the basis of a year of 365 days (or on such other day count basis as the Registered Holder considers is consistent with the then applicable market practice) and the actual number of days elapsed. Interest shall be remitted in cleared funds on the dates specified in the above Schedule to the Registered Holder's nominated bank account.
3. Payment default of any part of any sum due under this Loan Instrument shall entitle the Registered Holder to call for immediate repayment of the Principal together with all interest then accrued and together with any broken funding costs thereby incurred arising from the early termination of the funding arrangements for this loan.
4. The Council acknowledges that the Registered Holder has agreed the rate of interest on the basis that the principal will be outstanding until the specified date in the schedule or if earlier, the date of any proposed increase in the interest rate, being a Lender's Option Date, and if:-
 - (i) the Principal is repaid by the Council on a day other than on a Lender's Option Date or on the specified date in the Schedule for repayment of Principal; or
 - (ii) the full amount of the loan is not drawn on the drawdown date for any reason, in each case as referred to in the above Schedule (excluding any default by the Registered Holder); or
 - (iii) the Registered Holder makes a demand for repayment pursuant to Condition 3 above,

the Council will pay to the Registered Holder on demand any amount which the Registered Holder shall determine (acting in good faith) to be required by the Registered Holder to preserve the economic equivalent of the interest payments that the Registered Holder would otherwise have been entitled to receive from the Council in connection with the loan until the specified date in the schedule for repayment of Principal or, if earlier, the date of any proposed increase in the interest rate, being a Lender's Option Date.

5. All payments required to be made by the Council hereunder shall be calculated without reference to any set-off or counterclaim and shall be made free and clear of and without any deduction for or on account of any set-off or counterclaim.

6. The debt acknowledged by this Loan Instrument is fully transferable in whole or in part by the Registered Holder by an instrument in writing in accordance with the Stock Transfer Act 1963 delivered to the Council who shall acknowledge and register any such transfer. In the event of a transfer of part of the debt acknowledged by this Loan Instrument, the Council will issue a Loan Instrument to the Registered Holder for the debt under this Loan Instrument as reduced by the amount transferred and will issue a new Loan Instrument to the transferee on the same terms set out in this Loan Instrument for any amount equal to the debt transferred by the Registered Holder. Further, the Council will give effect to and conform to any registration requirements imposed by virtue of statute, practice or otherwise and will provide the Registered Holder with any relevant documentation within the time period imposed by the statute, practice or otherwise.
7. This Loan Instrument is redeemable by remittance of cleared funds to the Registered Holder's nominated bank account on the date for repayment of Principal specified in the above Schedule or on the date for prepayment in accordance with condition 8 below.
8. If the Registered Holder notifies the Council by not less than two Business Days prior notice that an increase in the rate of interest will occur on a Lender's Option Date, then the Council may, if it has given the Registered Holder prior written notice to that effect by no later than 5.00 p.m. on the Business Day preceding such proposed increase, prepay without penalty the Principal on the date of such proposed increase, together with accrued interest thereon to the day of prepayment provided that the Council shall have no such right of prepayment in respect of an increase in the rate of interest from 3.15% per annum to 4.5% per annum occurring on 15th August 2008 as specified in the above Schedule. The Council may also, if it has given to the Registered Holder prior written notice to that effect by no later than 5.00 p.m. on the Business Day preceding the proposed day of prepayment, prepay the Principal on the next interest payment date, together with accrued interest and any broken costs incurred by the Registered Holder (if any) arising from the early termination of the funding arrangements for this loan and any amount payable pursuant to Condition 4 above. The Council shall not be entitled to prepay the Principal except at the times and in the manner expressly provided in this Loan Instrument.
9. In this Loan Instrument, the following terms shall have the following meanings:-

"Business Day" means a day (excluding Saturdays) on which the Bank is ordinarily open to effect transactions of the kind contemplated in this Loan Instrument.

"Lender's Option Date" means the 15th August 2008 and each period of six months thereafter.

EXECUTED on behalf of Wolverhampton City Council on the 3rd day of May 2005.

By:



Authorised Signatory



Authorised Signatory

B Bailey
Director for Resources and
Support

W M Williams
Deputy Director of Finance

LOB018

Local Authority Unit
54 Lombard Street
London
EC3P 3AH

Tel +44 (0)20 7699 5000

Fax +44 (0)870 242 2754

www.barclays.com

Mr Mike Williams
Deputy Director of Finance
Department of Finance
Wolverhampton City Council
Civic Centre, St. Peter's Square,
Wolverhampton, West Midlands,
WV1 1RL

27th April 2005

BARCLAYS

Dear Mr Williams,

Barclays Bank PLC ("the Bank") has pleasure in confirming the following loan facility that was executed on 21st April 2005 with Wolverhampton City Council ("the Council"):

Amount: £5,000,000 (Five Million Pounds)

Date of Drawdown: 15th September 2005

Date of Repayment: 15th September 2045

Period: 40 years.

Interest Rate: (a) 3.15% fixed per annum during the period from 15th September 2005 to, but excluding, 15th September 2008 and thereafter 4.50% per annum

or

(b) In the event of the Bank exercising its option to increase the rate on any Lender's Option Date (as defined in the Loan Instrument), the rate per annum notified to the Council by the Bank prior to such Lender's Option Date.

Please note that the nature of this loan is that the interest rate may increase at a time that you may consider disadvantageous to you.

Interest Payment: Six-monthly, in accordance with provisions of a Loan Instrument in the attached form.

Prepayment: In the event of any proposed increase in the rate of interest, the Council may prepay the Loan in whole without penalty on the date of such proposed increase provided that the Council shall have no such right of prepayment in respect of an increase in the rate of interest from 3.15% per annum to 4.50% per annum occurring on 15th September 2008 and not otherwise.

Terms and Conditions: In accordance with a Loan Instrument in the attached form.

Funding Costs: The terms and conditions referred to above include in Condition 4 an obligation on the Council to pay the Bank an amount which preserves the economic equivalent of the interest payments if (i) the proposed loan is not drawn down or (ii) the loan is repaid or prepaid (otherwise than on (a) the date specified above or (b) any date permitted following a proposed increase in the rate of interest) or (iii) the Bank makes a demand for early repayment following a default.

- Conditions Precedent:
- (a) The original of this Loan Confirmation Letter duly signed on behalf of the Council.
 - (b) Execution of a Loan Instrument in the attached form.
 - (c) A list of authorised signatories of the Council who are able to execute the Loan Instrument.
 - (d) Certified copies of appropriate documents (e.g. Council minutes, Standing Orders) evidencing the power of the signatory to the Loan Instrument to execute such instrument on behalf of the Council.
 - (e) A copy of the covering letter, in the attached form, drawn up on Council headed notepaper.

Please indicate your confirmation of the above terms and your commitment to provide a signed Loan Instrument in the attached form, by signing and returning a copy of this letter by fax (020 7699 4721) with the originals to follow by post.

Yours sincerely


For & on behalf of
Barclays Bank PLC

- (a) I confirm acceptance of the loan, the terms of which shall be in accordance with this letter and by signing this letter I agree that the provisions of Condition 4 of the Loan Instrument will apply as if they were set out in full in this letter.
- (b) I confirm that the Council will execute a Loan Instrument in the attached form and will post it to you prior to drawdown.

Signature

 Date 3 MAY 2005

Print Name W.M. WILLIAMS Position DEPUTY DIRECTOR OF FINANCE

For & on behalf of Wolverhampton City Council

Form of Loan Instrument

LOCAL AUTHORITY LOAN INSTRUMENT CERTIFICATE NUMBER 2005/5

Wolverhampton City Council ("the Council") acknowledges receipt of the loan on the terms specified in the Schedule below and subject to the Conditions endorsed in this certificate.

THE SCHEDULE

REGISTERED HOLDER: BARCLAYS BANK PLC

AMOUNT OF PRINCIPAL: £5,000,000. (Five Million Pounds).

DATE ACCEPTED: 21st April 2005

DATE OF DRAWDOWN: 15th September 2005

INTEREST: Interest on the Principal shall accrue at:-

(a) 3.15% per annum during the period from 15th September 2005 to, but excluding 15th September 2008 and thereafter at 4.5% per annum;

or,

(b) (if the Registered Holder notifies the Council not less than two Business Days prior to any Lender's Option Date) at the rate so notified with effect from such Lender's Option Date.

(Interest being payable in arrears on 15th September and 15th March in each year.

In the event that any date on which interest is due to be paid hereunder is not a Business Day, then such interest shall be paid on the next Business Day unless that Business Day is in the following month in which case such interest shall be paid on the Business Day immediately preceding such interest payment date.

DATE OF REPAYMENT OF PRINCIPAL: 15th September 2045.

AMOUNT OF REPAYMENT OF PRINCIPAL: £5,000,000. (Five Million Pounds).

CONDITIONS:

1. The amount of this Loan Instrument is acknowledged to be a debt payable to the Registered Holder by the Council.
2. Interest is payable from the date of drawdown on the face of this Loan Instrument, shall accrue from day to day and shall be calculated on the basis of a year of 365 days (or on such other day count basis as the Registered Holder considers is consistent with the then applicable market practice) and the actual number of days elapsed. Interest shall be remitted in cleared funds on the dates specified in the above Schedule to the Registered Holder's nominated bank account.
3. Payment default of any part of any sum due under this Loan Instrument shall entitle the Registered Holder to call for immediate repayment of the Principal together with all interest then accrued and together with any broken funding costs thereby incurred arising from the early termination of the funding arrangements for this loan.
4. The Council acknowledges that the Registered Holder has agreed the rate of interest on the basis that the principal will be outstanding until the specified date in the schedule or if earlier, the date of any proposed increase in the interest rate, being a Lender's Option Date, and if:-
 - (i) the Principal is repaid by the Council on a day other than on a Lender's Option Date or on the specified date in the Schedule for repayment of Principal; or
 - (ii) the full amount of the loan is not drawn on the drawdown date for any reason, in each case as referred to in the above Schedule (excluding any default by the Registered Holder); or
 - (iii) the Registered Holder makes a demand for repayment pursuant to Condition 3 above,

the Council will pay to the Registered Holder on demand any amount which the Registered Holder shall determine (acting in good faith) to be required by the Registered Holder to preserve the economic equivalent of the interest payments that the Registered Holder would otherwise have been entitled to receive from the Council in connection with the loan until the specified date in the schedule for repayment of Principal or, if earlier, the date of any proposed increase in the interest rate, being a Lender's Option Date.
5. All payments required to be made by the Council hereunder shall be calculated without reference to any set-off or counterclaim and shall be made free and clear of and without any deduction for or on account of any set-off or counterclaim.

6. The debt acknowledged by this Loan Instrument is fully transferable in whole or in part by the Registered Holder by an instrument in writing in accordance with the Stock Transfer Act 1963 delivered to the Council who shall acknowledge and register any such transfer. In the event of a transfer of part of the debt acknowledged by this Loan Instrument, the Council will issue a Loan Instrument to the Registered Holder for the debt under this Loan Instrument as reduced by the amount transferred and will issue a new Loan Instrument to the transferee on the same terms set out in this Loan Instrument for any amount equal to the debt transferred by the Registered Holder. Further, the Council will give effect to and conform to any registration requirements imposed by virtue of statute, practice or otherwise and will provide the Registered Holder with any relevant documentation within the time period imposed by the statute, practice or otherwise.
7. This Loan Instrument is redeemable by remittance of cleared funds to the Registered Holder's nominated bank account on the date for repayment of Principal specified in the above Schedule or on the date for prepayment in accordance with condition 8 below.
8. If the Registered Holder notifies the Council by not less than two Business Days prior notice that an increase in the rate of interest will occur on a Lender's Option Date, then the Council may, if it has given the Registered Holder prior written notice to that effect by no later than 5.00 p.m. on the Business Day preceding such proposed increase, prepay without penalty the Principal on the date of such proposed increase, together with accrued interest thereon to the day of prepayment provided that the Council shall have no such right of prepayment in respect of an increase in the rate of interest from 3.15% per annum to 4.5% per annum occurring on 15th September 2008 as specified in the above Schedule. The Council may also, if it has given to the Registered Holder prior written notice to that effect by no later than 5.00 p.m. on the Business Day preceding the proposed day of prepayment, prepay the Principal on the next interest payment date, together with accrued interest and any broken costs incurred by the Registered Holder (if any) arising from the early termination of the funding arrangements for this loan and any amount payable pursuant to Condition 4 above. The Council shall not be entitled to prepay the Principal except at the times and in the manner expressly provided in this Loan Instrument.
9. In this Loan Instrument, the following terms shall have the following meanings:-
 - “**Business Day**” means a day (excluding Saturdays) on which the Bank is ordinarily open to effect transactions of the kind contemplated in this Loan Instrument.
 - “**Lender's Option Date**” means the 15th September 2008 and each period of six months thereafter.

EXECUTED on behalf of Wolverhampton City Council on the 3rd day of May 2005.

By:



Authorised Signatory

B Bailey
Director for Resources and
Support



Authorised Signatory

W M Williams
Deputy Director of Finance



Local Authority Unit
27th Floor,
1 Churchill Place,
London,
E14 5HP

26th October 2005

Tel 020 7116 5021
Fax 020 7116 7636

Mr Brian Bailey
Co-ordinating Director of Finance and Physical Resources
Wolverhampton City Council
Civic Centre, St. Peters Square,
Wolverhampton, West Midlands,
WV1 1RL

www.barclays.com

Dear Mr Bailey,

Barclays Bank PLC ("the Bank") has pleasure in confirming the following loan facility that was executed on 25th October 2005 with Wolverhampton City Council ("the Council"):

Amount: £7,000,000. (Seven Million Pounds).

Date of Drawdown: 28th October 2005

Date of Repayment: 28th October 2065

Period: 60 years.

Interest Rate: (a) 3.74% fixed per annum,
or
(b) In the event of the Bank exercising its option to increase the rate on any Lender's Option Date (as defined in the Loan Instrument), the rate per annum notified to the Council by the Bank prior to such Lender's Option Date.

Please note that the nature of this loan is that the interest rate may increase at a time that you may consider disadvantageous to you.

Interest Payment: Six-monthly, in accordance with provisions of a Loan Instrument in the attached form.

Prepayment: In the event of any proposed increase in the rate of interest, the Council may prepay the Loan in whole without penalty on the date of such proposed increase and not otherwise.

Terms and Conditions: In accordance with a Loan Instrument in the attached form.

Funding Costs: The terms and conditions referred to above include in Condition 4 an obligation on the Council to pay the Bank an amount which

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OCT 07

preserves the economic equivalent of the interest payments if (i) the proposed loan is not drawn down or (ii) the loan is repaid or prepaid (otherwise than on (a) the date specified above or (b) any date permitted following a proposed increase in the rate of interest) or (iii) the Bank makes a demand for early repayment following a default.

Conditions Precedent:

- (a) The original of this Loan Confirmation Letter duly signed on behalf of the Council.
- (b) Execution of a Loan Instrument in the attached form.
- (c) A list of authorised signatories of the Council who are able to execute the Loan Instrument.
- (d) Certified copies of appropriate documents (e.g. Council minutes, Standing Orders) evidencing the power of the signatory to the Loan Instrument to execute such instrument on behalf of the Council.
- (e) A copy of the covering letter, in the attached form, drawn up on Council headed notepaper.

Please indicate your confirmation of the above terms and your commitment to provide a signed Loan Instrument in the attached form, by signing and returning a copy of this letter by fax (020 7116 7636) with the originals to follow by post.

Yours sincerely



For & on behalf of
Barclays Bank PLC

- (a) I confirm acceptance of the loan, the terms of which shall be in accordance with this letter and by signing this letter I agree that the provisions of Condition 4 of the Loan Instrument will apply as if they were set out in full in this letter.
- (b) I confirm that the Council will execute a Loan Instrument in the attached form and will post it to you prior to drawdown.

Signature



Date

27/10/2005

Print Name

W. Williams

Position

Deputy Director of Finance

For & on behalf of Wolverhampton City Council

PUBLIC DISCLOSED COPY

Form of Loan Instrument

LOCAL AUTHORITY LOAN INSTRUMENT CERTIFICATE NUMBER 2005/6

Wolverhampton City Council ("the Council") acknowledges receipt of the loan on the terms specified in the Schedule below and subject to the Conditions endorsed in this certificate.

THE SCHEDULE

REGISTERED HOLDER: BARCLAYS BANK PLC

AMOUNT OF PRINCIPAL: £7,000,000 (Seven Million Pounds)

DATE ACCEPTED: 25th October 2005

DATE OF DRAWDOWN: 28th October 2005

INTEREST: Interest on the Principal shall accrue at 3.74% per annum or (if the Registered Holder notifies the Council not less than two Business Days prior to any Lender's Option Date) at the rate so notified with effect from such Lender's Option Date, interest being payable in arrears on 28th October and 28th April in each year.

In the event that any date on which interest is due to be paid hereunder is not a Business Day, then such interest shall be paid on the next Business Day unless that Business Day is in the following month in which case such interest shall be paid on the Business Day immediately preceding such interest payment date.

DATE OF REPAYMENT

OF PRINCIPAL: 28th October 2065

AMOUNT OF REPAYMENT

OF PRINCIPAL: £7,000,000 (Seven Million Pounds)

PUBLIC DISCLOSED COPY

CONDITIONS:

1. The amount of this Loan Instrument is acknowledged to be a debt payable to the Registered Holder by the Council.
2. Interest is payable from the date of drawdown on the face of this Loan Instrument, shall accrue from day to day and shall be calculated on the basis of a year of 365 days (or on such other day count basis as the Registered Holder considers is consistent with the then applicable market practice) and the actual number of days elapsed. Interest shall be remitted in cleared funds on the dates specified in the above Schedule to the Registered Holder's nominated bank account.
3. Payment default of any part of the debt under this Loan Instrument shall entitle the Registered Holder to call for immediate repayment of the Principal together with all interest then accrued and together with any broken funding costs thereby incurred arising from the early termination of the funding arrangements for this loan.
4. The Council acknowledges that the Registered Holder has agreed the rate of interest on the basis that the Principal will be outstanding until the specified date in the schedule or if earlier, the date of any proposed increase in the interest rate, being a Lender's Option Date, and if:
 - (i) the Principal is repaid by the Council on a day other than on a Lender's Option Date or on the specified date in the Schedule for repayment of Principal; or
 - (ii) the full amount of the loan is not drawn on the drawdown date for any reason, in each case as referred to in the above Schedule (excluding any default by the Registered Holder); or
 - (iii) the Registered Holder makes a demand for repayment pursuant to Condition 3 above, the Council will pay to the Registered Holder on demand any amount which the Registered Holder shall determine (acting in good faith) to be required by the Registered Holder to preserve the economic equivalent of the interest payments that the Registered Holder would otherwise have been entitled to receive from the Council in connection with the loan until the specified date in the schedule for repayment of Principal or, if earlier, the date of any proposed increase in the interest rate, being a Lender's Option Date.
5. All payments required to be made by the Council hereunder shall be calculated without reference to any set-off or counterclaim and shall be made free and clear of and without any deduction for or on account of any set-off or counterclaim.
6. The debt acknowledged by this Loan Instrument is fully transferable in whole or in part by the Registered Holder by an instrument in writing in accordance with the Stock Transfer Act 1963 delivered to the Council who shall acknowledge and register any such transfer. In the event of a transfer of part of the debt acknowledged by this Loan Instrument, the Council will issue a Loan Instrument to the Registered Holder for the debt under this Loan Instrument as reduced by the amount transferred and will issue a new Loan Instrument to the transferee on the same terms set out in this Loan Instrument for an amount equal to the debt transferred by the Registered Holder. Further, the Council will give effect to and conform to any registration requirements imposed by virtue of statute, practice or otherwise and will provide the Registered Holder with any relevant documentation within the time period imposed by the statute, practice or otherwise.

7. This Loan Instrument is redeemable by remittance of cleared funds to the Registered Holder's nominated bank account on the date for repayment of Principal specified in the above Schedule or on the date for prepayment in accordance with condition 8 below.
8. If the Registered Holder notifies the Council by not less than two business days prior notice that an increase in the rate of interest will occur on a Lender's Option Date, then the Council may, if it has given the Registered Holder prior written notice to that effect by no later than 5.00pm on the Business Day preceding such proposed increase, prepay without penalty the Principal on the date of such proposed increase, together with accrued interest thereon to the day of prepayment. The Council may also, if it has given to the Registered Holder prior written notice to that effect by no later than 5.00pm on the Business Day preceding the proposed day of prepayment, prepay the Principal on the next interest payment date, together with accrued interest and any broken funding costs incurred by the Registered Holder (if any) arising from the early termination of the funding arrangements for this loan and any amount payable pursuant to Condition 4 above. The Council shall not be entitled to prepay the Principal except at the times and in the manner expressly provided in this Loan Instrument.
9. In this Loan Instrument, the following terms shall have the following meanings:-

"Business Day" means a day (excluding Saturdays) on which the Bank is ordinarily open to effect transactions of the kind contemplated in this Loan Instrument.

"Lender's Option Date" means the 28th October 2007 and each period of five years thereafter.

EXECUTED on behalf of Wolverhampton City Council on the 27 day of October, 2005.

By:



Authorised Signatory

W M WILLIAMS
Deputy Director of Finance

Name and Title of

Authorised Signatory



Authorised Signatory

B BAILEY
Director for Resources and Support

Name and Title of

Authorised Signatory

Form of Loan Instrument

LOCAL AUTHORITY LOAN INSTRUMENT CERTIFICATE NUMBER 2006/1

Wolverhampton City Council ("the Council") acknowledges receipt of the loan on the terms specified in the Schedule below and subject to the Conditions endorsed in this certificate.

THE SCHEDULE

REGISTERED HOLDER: EUROHYPO SA

AMOUNT OF PRINCIPAL: £7,000,000. (Seven Million Pounds).

DATE ACCEPTED: 15th December 2005

DATE OF DRAWDOWN: 31st May 2006

INTEREST: Interest on the Principal shall accrue at 3.60% per annum or (if the Registered Holder notifies the Council not less than two Business Days prior to any Lender's Option Date) at the rate so notified with effect from such Lender's Option Date, interest being payable in arrears on 31st May and 30th November in each year.

In the event that any date on which interest is due to be paid hereunder is not a Business Day, then such interest shall be paid on the next Business Day unless that Business Day is in the following month in which case such interest shall be paid on the Business Day immediately preceding such interest payment date.

DATE OF REPAYMENT OF PRINCIPAL: 31st May 2066.

AMOUNT OF REPAYMENT OF PRINCIPAL: £7,000,000. (Seven Million Pounds).

CONDITIONS:

1. The amount of this Loan Instrument is acknowledged to be a debt payable to the Registered Holder by the Council.
2. Interest is payable from the date of drawdown on the face of this Loan Instrument, shall accrue from day to day and shall be calculated on the basis of a year of 365 days (or on such other day count basis as the Registered Holder considers is consistent with the then applicable market practice) and the actual number of days elapsed. Interest shall be remitted in cleared funds on the dates specified in the above Schedule to the Registered Holder's nominated bank account.
3. Payment default of any part of the debt due under this Loan Instrument shall entitle the Registered Holder to call for immediate repayment of the Principal together with all interest then accrued and together with any broken funding costs thereby incurred arising from the early termination of the funding arrangements for this loan.
4. The Council acknowledges that the Registered Holder has agreed the rate of interest on the basis that the principal will be outstanding until the specified date in the schedule or if earlier, the date of any proposed increase in the interest rate, being a Lender's Option Date, and if:-
 - (i) the Principal is repaid by the Council on a day other than on a Lender's Option Date or on the specified date in the Schedule for repayment of Principal, or
 - (ii) the full amount of the loan is not drawn on the drawdown date for any reason, in each case as referred to in the above Schedule (excluding any default by the Registered Holder); or
 - (iii) the Registered Holder makes a demand for repayment pursuant to Condition 3 above,

the Council will pay to the Registered Holder on demand any amount which the Registered Holder shall determine (acting in good faith) to be required by the Registered Holder to preserve the economic equivalent of the interest payments that the Registered Holder would otherwise have been entitled to receive from the Council in connection with the loan until the specified date in the schedule for repayment of Principal or, if earlier, the date of any proposed increase in the interest rate, being a Lender's Option Date.

5. All payments required to be made by the Council hereunder shall be calculated without reference to any set-off or counterclaim and shall be made free and clear of and without any deduction for or on account of any set-off or counterclaim.

6. The debt acknowledged by this Loan Instrument is fully transferable in whole or in part by the Registered Holder by an instrument in writing in accordance with the Stock Transfer Act 1963 delivered to the Council who shall acknowledge and register any such transfer. In the event of a transfer of part of the debt acknowledged by this Loan Instrument, the Council will issue a Loan Instrument to the Registered Holder for the debt under this Loan Instrument as reduced by the amount transferred and will issue a new Loan Instrument to the transferee on the same terms set out in this Loan Instrument for an amount equal to the debt transferred by the Registered Holder. Further, the Council will give effect to and conform to any registration requirements imposed by virtue of statute, practice or otherwise and will provide the Registered Holder with any relevant documentation within the time period imposed by the statute, practice or otherwise.
7. This Loan Instrument is redeemable by remittance of cleared funds to the Registered Holder's nominated bank account on the date for repayment of Principal specified in the above Schedule or on the date for prepayment in accordance with condition 8 below.
8. If the Registered Holder notifies the Council by not less than two Business Days prior notice that an increase in the rate of interest will occur on a Lender's Option Date, then the Council may, if it has given the Registered Holder prior written notice to that effect by no later than 5.00 p.m. on the Business Day preceding such proposed increase, prepay without penalty the Principal on the date of such proposed increase, together with accrued interest thereon to the day of prepayment. The Council may also, if it has given to the Registered Holder prior written notice to that effect by no later than 5.00 p.m. on the Business Day preceding the proposed day of prepayment, prepay the Principal on the next interest payment date, together with accrued interest and any broken funding costs incurred by the Registered Holder (if any) arising from the early termination of the funding arrangements for this loan and any amount payable pursuant to Condition 4 above. The Council shall not be entitled to prepay the Principal except at the times and in the manner expressly provided in this Loan Instrument.
9. In this Loan Instrument, the following terms shall have the following meanings:-

"Business Day" means a day (excluding Saturdays) on which the Bank is ordinarily open to effect transactions of the kind contemplated in this Loan Instrument.

"Lender's Option Date" means the 31st May 2009 and each period of five years thereafter.

EXECUTED on behalf of Wolverhampton City Council on the 24th day of January 2006.

By:


Authorised Signatory

B Bailey
Director for Resources and
Support


Authorised Signatory

W M Williams
Deputy Director of Finance

An / To:

Wolverhampton City Council
Civic Centre
St. Peter's Square
Wolverhampton
WV1 1RL

Von / From:

EUROHYPO
Europäische Hypothekenbank S.A.
Airport Center
5, rue Heienhaff
1736 SENNINGERBERG
LUXEMBOURG



Zu Händen von / Attention:

Mike Williams

E-mail/Contact:

Fax:

0044 1902 554406

Tel.:

Seitenzahl inkl. Deckblatt / Total pages incl. Cover sheet:

3

Datum / Date:

15. December 2005

E-mail:

*** URGENT ***

Dear Mr. Williams,

We are writing to confirm that we have placed at your disposal an advance facility available to you on the following terms and conditions:

1. **Borrower:** Wolverhampton City Council ("the Council")
2. **Amount:** seven million pounds sterling (GBP 7,000,000) ("the Loan")
3. **Purpose:** Authorised borrowing under Section 1 of the Local Government Act 2003.
4. **Lender:** EUROHYPO Europäische Hypothekenbank S.A., Luxembourg ("the Bank")
5. **Term:** The Loan will be for a period of 60 years from 31st May 2006
6. **Availability:** Subject to the Bank having received:
 1. the acceptance copy of this letter duly signed by an authorised signatory of the Borrower,
 2. confirmation that the mortgage bond or loan certificate referred to in paragraph 12 will be executed on behalf of the Borrower (given the short timing, a faxed copy will be sufficient for drawdown),
 3. evidence that authority to sign has been delegated to the signatory on the mortgage bond or loan certificate and that he/she had the power to commit the authority to the Loan,
 4. a document confirming:

1 | 3

EUROHYPO
Europäische Hypothekenbank S.A.
Airport Center - 5, rue Helenhaff
L-1736 Senningerberg/Luxembourg
Incorporated in Luxembourg with
limited liability
Registration no B 30489

Board of Directors: Henning Rasche,
chairman (German), Bernd Knobloch,
vice-chairman (German), Reinolf Dibus
(German), Wolfgang Groth (German).

Telephone +352 1 649 1618

Branch registered in Ireland
Registration no. E 4350

PUBLIC DISCLOSED COPY

- a) the Borrower's Prudential Borrowing Limits as set by the Council,
- b) that the borrowing of the Loan by the Borrower will not cause the Council's Prudential Borrowing Limits be exceeded,

you will be able to drawdown the Loan on 31st May 2006.

7. Interest Rate:

3,60% per annum calculated on the basis of a 365-day year and actual days (including in all cases 29 February) within each interest period and will be payable semi-annually in arrears on 31st May and 30th November.

In the event that such payment date is not a Business Day then payment will be made on the next successive Business Day, provided that if such payment date shall fall into the succeeding month, the payment date shall be the preceding business day. ("Modified Following" payment convention)

All Interest shall be paid gross of any withholding tax.

8. Business Day:

London business day convention.

9. Special Features:

The Lender has the option, (giving two business days notice) on 31st May 2009 and every five years thereafter to alter the Interest Rate at its discretion. If the Borrower does not accept this new rate, the Borrower can prepay the Loan without penalty. If the Lender does not alter the Interest Rate, the Borrower may not prepay the Loan.

10. Repayment:

The Loan will be repaid on 31st May 2066.

11. Payments:



12. Security:

Security for the Loan will be in the form of a mortgage bond or loan certificate issued by the Borrower in favour of the Bank, its successors and/or assignees. The security created by the mortgage bond or loan certificate is to rank pari passu with all your other borrowings.

13. Transferability:

The rights and obligations under this letter shall be transferable by means of an instrument in writing in accordance with the Stock Transfer Act, 1963 delivered to the Council's Registrar.

We shall be pleased if you will confirm your acceptance of these terms by signing and returning to us the attached copy of this letter.

Yours sincerely,



EUROHYPO Europäische Hypothekenbank S.A.
5, rue Helenhaff
L - 1736 Senningerberg
Luxembourg

We, Wolverhampton City Council, hereby agree and accept the terms and conditions contained in your letter of the 15th December 2005 of which the above is a true copy. We also confirm that we will issue either the mortgage bond referred to in paragraph 12 or alternatively our own form of loan instrument before drawdown.

For and on behalf of Wolverhampton City Council:



Name: W. M. WILLIAMS
Title: DEPUTY DIRECTOR FOR RESOURCES
Date: 20/12/05

Name:
Title:
Date:

COPY
LOBO21

Form of Loan Instrument

LOCAL AUTHORITY LOAN INSTRUMENT CERTIFICATE NUMBER 2006/2

Wolverhampton City Council ("the Council") acknowledges receipt of the loan on the terms specified in the Schedule below and subject to the Conditions endorsed in this certificate.

THE SCHEDULE

REGISTERED HOLDER: EUROHYPO SA

AMOUNT OF PRINCIPAL: £7,000,000. (Seven Million Pounds).

DATE ACCEPTED: 15th December 2005

DATE OF DRAWDOWN: 31st July 2006

INTEREST: Interest on the Principal shall accrue at 3.60% per annum or (if the Registered Holder notifies the Council not less than two Business Days prior to any Lender's Option Date) at the rate so notified with effect from such Lender's Option Date, interest being payable in arrears on 31st January and 31st July in each year.

In the event that any date on which interest is due to be paid hereunder is not a Business Day, then such interest shall be paid on the next Business Day unless that Business Day is in the following month in which case such interest shall be paid on the Business Day immediately preceding such interest payment date.

DATE OF REPAYMENT OF PRINCIPAL: 31st July 2066.

AMOUNT OF REPAYMENT OF PRINCIPAL: £7,000,000. (Seven Million Pounds).

CONDITIONS:

1. The amount of this Loan Instrument is acknowledged to be a debt payable to the Registered Holder by the Council.
2. Interest is payable from the date of drawdown on the face of this Loan Instrument, shall accrue from day to day and shall be calculated on the basis of a year of 365 days (or on such other day count basis as the Registered Holder considers is consistent with the then applicable market practice) and the actual number of days elapsed. Interest shall be remitted in cleared funds on the dates specified in the above Schedule to the Registered Holder's nominated bank account.
3. Payment default of any part of the debt under this Loan Instrument shall entitle the Registered Holder to call for immediate repayment of the Principal together with all interest then accrued and together with any broken funding costs thereby incurred arising from the early termination of the funding arrangements for this loan.
4. The Council acknowledges that the Registered Holder has agreed the rate of interest on the basis that the principal will be outstanding until the specified date in the schedule or if earlier, the date of any proposed increase in the interest rate, being a Lender's Option Date, and if:-
 - (i) the Principal is repaid by the Council on a day other than on a Lender's Option Date or on the specified date in the Schedule for repayment of Principal; or
 - (ii) the full amount of the loan is not drawn on the drawdown date for any reason, in each case as referred to in the above Schedule (excluding any default by the Registered Holder); or
 - (iii) the Registered Holder makes a demand for repayment pursuant to Condition 3 above,

the Council will pay to the Registered Holder on demand any amount which the Registered Holder shall determine (acting in good faith) to be required by the Registered Holder to preserve the economic equivalent of the interest payments that the Registered Holder would otherwise have been entitled to receive from the Council in connection with the loan until the specified date in the schedule for repayment of Principal or, if earlier, the date of any proposed increase in the interest rate, being a Lender's Option Date.
5. All payments required to be made by the Council hereunder shall be calculated without reference to any set-off or counterclaim and shall be made free and clear of and without any deduction for or on account of any set-off or counterclaim.

6. The debt acknowledged by this Loan Instrument is fully transferable in whole or in part by the Registered Holder by an instrument in writing in accordance with the Stock Transfer Act 1963 delivered to the Council who shall acknowledge and register any such transfer. In the event of a transfer of part of the debt acknowledged by this Loan Instrument, the Council will issue a Loan Instrument to the Registered Holder for the debt under this Loan Instrument as reduced by the amount transferred and will issue a new Loan Instrument to the transferee on the same terms set out in this Loan Instrument for an amount equal to the debt transferred by the Registered Holder. Further, the Council will give effect to and conform to any registration requirements imposed by virtue of statute, practice or otherwise and will provide the Registered Holder with any relevant documentation within the time period imposed by the statute, practice or otherwise.
7. This Loan Instrument is redeemable by remittance of cleared funds to the Registered Holder's nominated bank account on the date for repayment of Principal specified in the above Schedule or on the date for prepayment in accordance with condition 8 below.
8. If the Registered Holder notifies the Council by not less than two Business Days prior notice that an increase in the rate of interest will occur on a Lender's Option Date, then the Council may, if it has given the Registered Holder prior written notice to that effect by no later than 5.00 p.m. on the Business Day preceding such proposed increase, prepay without penalty the Principal on the date of such proposed increase, together with accrued interest thereon to the day of prepayment. The Council may also, if it has given to the Registered Holder prior written notice to that effect by no later than 5.00 p.m. on the Business Day preceding the proposed day of prepayment, prepay the Principal on the next interest payment date, together with accrued interest and any broken funding costs incurred by the Registered Holder (if any) arising from the early termination of the funding arrangements for this loan and any amount payable pursuant to Condition 4 above. The Council shall not be entitled to prepay the Principal except at the times and in the manner expressly provided in this Loan Instrument.
9. In this Loan Instrument, the following terms shall have the following meanings:-

"Business Day" means a day (excluding Saturdays) on which the Bank is ordinarily open to effect transactions of the kind contemplated in this Loan Instrument.

"Lender's Option Date" means the 31st July 2010 and each period of five years thereafter.

EXECUTED on behalf of Wolverhampton City Council on the 24th day of January 2006.

By:


Authorised Signatory

B Bailey
Director for Resources and
Support


Authorised Signatory

W M Williams
Deputy Director of Finance

An / To:

Wolverhampton City Council
Civic Centre
St. Peter's Square
Wolverhampton
WV1 1RL

Von / From:

EUROHYPO
Europäische Hypothekenbank S.A.
Airport Center
5, rue Helenhaff
1736 SENNINGERBERG
LUXEMBOURG

LOBO 21



Zu Händen von / Attention:

Mike Williams

Fax:

0044 1902 554406

Tel.:

0044 1902 554401

Seitenzahl inkl. Deckblatt / Total pages incl. Cover sheet:

3

Datum / Date:

19. December 2005

*** URGENT ***

Dear Mr. Williams,

We are writing to confirm that we have placed at your disposal an advance facility available to you on the following terms and conditions:

1. Borrower: Wolverhampton City Council ("the Council")
2. Amount: seven million pounds sterling (GBP 7,000,000) ("the Loan")
3. Purpose: Authorised borrowing under Section 1 of the Local Government Act 2003.
4. Lender: EUROHYPO Europäische Hypothekenbank S.A., Luxembourg ("the Bank")
5. Term: The Loan will be for a period of 60 years from 31st July 2006
6. Availability: Subject to the Bank having received:
 1. the acceptance copy of this letter duly signed by an authorised signatory of the Borrower,
 2. confirmation that the mortgage bond or loan certificate referred to in paragraph 12 will be executed on behalf of the Borrower (given the short timing, a faxed copy will be sufficient for drawdown),
 3. evidence that authority to sign has been delegated to the signatory on the mortgage bond or loan certificate and that he/she had the power to commit the authority to the Loan,
 4. a document confirming:

1 | 3

EUROHYPO
Europäische Hypothekenbank S.A.
Airport Center - 5, rue Helenhaff
L-1736 Senningerberg/Luxembourg
incorporated in Luxembourg with
limited liability
Registration no. B 30469

Board of Directors: Henning Rasche,
chairman (German), Bernd Knobloch,
vice-chairman (German), Reinolf Dibus
(German), Wolfgang Groth (German).

Telephone +353 1 649 1618

Branch registered in Ireland
Registration no. E 4350

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- a) the Borrower's Prudential Borrowing Limits as set by the Council,
- b) that the borrowing of the Loan by the Borrower will not cause the Council's Prudential Borrowing Limits be exceeded,

you will be able to drawdown the Loan on 31st July 2006.

7. Interest Rate: 3,60% per annum calculated on the basis of a 365-day year and actual days (including in all cases 29 February) within each interest period and will be payable semi-annually in arrears on 31st January and 31st July.

In the event that such payment date is not a Business Day then payment will be made on the next successive Business Day, provided that if such payment date shall fall into the succeeding month, the payment date shall be the preceding business day. ("Modified Following" payment convention)

All Interest shall be paid gross of any withholding tax.

8. Business Day: London business day convention.
9. Special Features: The Lender has the option, (giving two business days notice) on 31st July 2010 and every five years thereafter to alter the Interest Rate at its discretion. If the Borrower does not accept this new rate, the Borrower can prepay the Loan without penalty. If the Lender does not alter the Interest Rate, the Borrower may not prepay the Loan.
10. Repayment: The Loan will be repaid on 31st July 2006.

11. Payments:



12. Security: Security for the Loan will be in the form of a mortgage bond or loan certificate issued by the Borrower in favour of the Bank, its successors and/or assignees. The security created by the mortgage bond or loan certificate is to rank pari passu with all your other borrowings.

13. Transferability: The rights and obligations under this letter shall be transferable by means of an instrument in writing in accordance with the Stock Transfer Act, 1963 delivered to the Council's Registrar.

We shall be pleased if you will confirm your acceptance of these terms by signing and returning to us the attached copy of this letter.

Yours sincerely,



EUROHYPO Europäische Hypothekenbank S.A.
5, rue Heienhaff
L - 1736 Senningerberg
Luxembourg

We, Wolverhampton City Council, hereby agree and accept the terms and conditions contained in your letter of the 19th December 2005 of which the above is a true copy. We also confirm that we will issue either the mortgage bond referred to in paragraph 12 or alternatively our own form of loan instrument before drawdown.

For and on behalf of Wolverhampton City Council:



Name: W.M. WILLIAMS
Title: DEPUTY DIRECTOR FOR RESOURCES
Date: 20/12/05

Name:
Title:
Date:

COPY

Local Authority Unit
27th Floor,
1 Churchill Place,
London,
E14 5HP

3rd January 2006

Mr Brian Bailey
Co-ordinating Director for Finance and Physical Resources
Wolverhampton City Council
Civic Centre, St Peter's Square,
Wolverhampton,
WV1 1RL

Tel 020 7116 5021
Fax 020 7116 7636

www.barclays.com

Dear Mr Bailey,

Barclays Bank PLC ("the Bank") has pleasure in confirming the following loan facility that was executed on 28th December 2005 with Wolverhampton City Council ("the Council"):

Amount: £7,000,000. (Seven Million Pounds).

Date of Drawdown: 31st October 2006

Date of Repayment: 31st October 2066

Period: 60 years.

Interest Rate: (a) 3.60% fixed per annum,
or
(b) In the event of the Bank exercising its option to increase the rate on any Lender's Option Date (as defined in the Loan Instrument), the rate per annum notified to the Council by the Bank prior to such Lender's Option Date.

Please note that the nature of this loan is that the interest rate may increase at a time that you may consider disadvantageous to you.

Interest Payment: Six-monthly, in accordance with provisions of a Loan Instrument in the attached form.

Prepayment: In the event of any proposed increase in the rate of interest, the Council may prepay the Loan in whole without penalty on the date of such proposed increase and not otherwise.

Terms and Conditions: In accordance with a Loan Instrument in the attached form.

Funding Costs: The terms and conditions referred to above include in Condition 4 an obligation on the Council to pay the Bank an amount which

preserves the economic equivalent of the interest payments if (i) the proposed loan is not drawn down or (ii) the loan is repaid or prepaid (otherwise than on (a) the date specified above or (b) any date permitted following a proposed increase in the rate of interest) or (iii) the Bank makes a demand for early repayment following a default.

Conditions Precedent:

- (a) The original of this Loan Confirmation Letter duly signed on behalf of the Council.
- (b) Execution of a Loan Instrument in the attached form.
- (c) A list of authorised signatories of the Council who are able to execute the Loan Instrument.
- (d) Certified copies of appropriate documents (e.g. Council minutes, Standing Orders) evidencing the power of the signatory to the Loan Instrument to execute such instrument on behalf of the Council.
- (e) A copy of the covering letter, in the attached form, drawn up on Council headed notepaper.

Please indicate your confirmation of the above terms and your commitment to provide a signed Loan Instrument in the attached form, by signing and returning a copy of this letter by fax (020 7116 7636) with the originals to follow by post.

Yours sincerely



For & on behalf of
Barclays Bank PLC

- (a) I confirm acceptance of the loan, the terms of which shall be in accordance with this letter and by signing this letter I agree that the provisions of Condition 4 of the Loan Instrument will apply as if they were set out in full in this letter.
- (b) I confirm that the Council will execute a Loan Instrument in the attached form and will post it to you prior to drawdown.

Signature



Date

4/1/06

Print Name W. M. WILLIAMS

Position DEPUTY DIRECTOR FOR RESOURCES

For & on behalf of Wolverhampton City Council

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COPY

Form of Loan Instrument

LOCAL AUTHORITY LOAN INSTRUMENT CERTIFICATE NUMBER 2006/3

Wolverhampton City Council ("the Council") acknowledges receipt of the loan on the terms specified in the Schedule below and subject to the Conditions endorsed in this certificate.

THE SCHEDULE

REGISTERED HOLDER: BARCLAYS BANK PLC

AMOUNT OF PRINCIPAL: £7,000,000 (Seven Million Pounds)

DATE ACCEPTED: 28th December 2005

DATE OF DRAWDOWN: 31st October 2006

INTEREST: Interest on the Principal shall accrue at 3.60% per annum or (if the Registered Holder notifies the Council not less than two Business Days prior to any Lender's Option Date) at the rate so notified with effect from such Lender's Option Date, interest being payable in arrears on 31st October and 30th April in each year.

In the event that any date on which interest is due to be paid hereunder is not a Business Day, then such interest shall be paid on the next Business Day unless that Business Day is in the following month in which case such interest shall be paid on the Business Day immediately preceding such interest payment date.

DATE OF REPAYMENT
OF PRINCIPAL:

31st October 2066

AMOUNT OF REPAYMENT
OF PRINCIPAL:

£7,000,000 (Seven Million Pounds)

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CONDITIONS:

1. The amount of this Loan Instrument is acknowledged to be a debt payable to the Registered Holder by the Council.
2. Interest is payable from the date of drawdown on the face of this Loan Instrument, shall accrue from day to day and shall be calculated on the basis of a year of 365 days (or on such other day count basis as the Registered Holder considers is consistent with the then applicable market practice) and the actual number of days elapsed. Interest shall be remitted in cleared funds on the dates specified in the above Schedule to the Registered Holder's nominated bank account.
3. Payment default of any part of the debt under this Loan Instrument shall entitle the Registered Holder to call for immediate repayment of the Principal together with all interest then accrued and together with any broken funding costs thereby incurred arising from the early termination of the funding arrangements for this loan.
4. The Council acknowledges that the Registered Holder has agreed the rate of interest on the basis that the Principal will be outstanding until the specified date in the schedule or if earlier, the date of any proposed increase in the interest rate, being a Lender's Option Date, and if:
 - (i) the Principal is repaid by the Council on a day other than on a Lender's Option Date or on the specified date in the Schedule for repayment of Principal; or
 - (ii) the full amount of the loan is not drawn on the drawdown date for any reason, in each case as referred to in the above Schedule (excluding any default by the Registered Holder); or
 - (iii) the Registered Holder makes a demand for repayment pursuant to Condition 3 above, the Council will pay to the Registered Holder on demand any amount which the Registered Holder shall determine (acting in good faith) to be required by the Registered Holder to preserve the economic equivalent of the interest payments that the Registered Holder would otherwise have been entitled to receive from the Council in connection with the loan until the specified date in the schedule for repayment of Principal or, if earlier, the date of any proposed increase in the interest rate, being a Lender's Option Date.
5. All payments required to be made by the Council hereunder shall be calculated without reference to any set-off or counterclaim and shall be made free and clear of and without any deduction for or on account of any set-off or counterclaim.
6. The debt acknowledged by this Loan Instrument is fully transferable in whole or in part by the Registered Holder by an instrument in writing in accordance with the Stock Transfer Act 1963 delivered to the Council who shall acknowledge and register any such transfer. In the event of a transfer of part of the debt acknowledged by this Loan Instrument, the Council will issue a Loan Instrument to the Registered Holder for the debt under this Loan Instrument as reduced by the amount transferred and will issue a new Loan Instrument to the transferee on the same terms set out in this Loan Instrument for an amount equal to the debt transferred by the Registered Holder. Further, the Council will give effect to and conform to any registration requirements imposed by virtue of statute, practice or otherwise and will provide the Registered Holder with any relevant documentation within the time period imposed by the statute, practice or otherwise.

PUBLIC DISCLOSED COPY

7. This Loan Instrument is redeemable by remittance of cleared funds to the Registered Holder's nominated bank account on the date for repayment of Principal specified in the above Schedule or on the date for prepayment in accordance with condition 8 below.
8. If the Registered Holder notifies the Council by not less than two business days prior notice that an increase in the rate of interest will occur on a Lender's Option Date, then the Council may, if it has given the Registered Holder prior written notice to that effect by no later than 5.00pm on the Business Day preceding such proposed increase, prepay without penalty the Principal on the date of such proposed increase, together with accrued interest thereon to the day of prepayment. The Council may also, if it has given to the Registered Holder prior written notice to that effect by no later than 5.00pm on the Business Day preceding the proposed day of prepayment, prepay the Principal on the next interest payment date, together with accrued interest and any broken funding costs incurred by the Registered Holder (if any) arising from the early termination of the funding arrangements for this loan and any amount payable pursuant to Condition 4 above. The Council shall not be entitled to prepay the Principal except at the times and in the manner expressly provided in this Loan Instrument.
9. In this Loan Instrument, the following terms shall have the following meanings:-

"Business Day" means a day (excluding Saturdays) on which the Bank is ordinarily open to effect transactions of the kind contemplated in this Loan Instrument.

"Lender's Option Date" means the 30th April 2011 and each period of five years thereafter.

EXECUTED on behalf of Wolverhampton City Council on the 4th day of January, 2006.

By:



Authorised Signatory

B. Bailey - Director for Resources and Support

Name and Title of
Authorised Signatory



Authorised Signatory

W.M. Williams - Deputy Director for Resources

Name and Title of
Authorised Signatory

PUBLIC DISCLOSED COPY