

CITY OF
WOLVERHAMPTON
COUNCIL

Response to Request for Information

Reference FOI 003543
Date 3 May 2019

LOBO Loans Details for 2015-2016 and 2018-2019

Request:

- A. Please provide a spreadsheet in .xls format containing the following information for each of the LOBO loans you held in the 2015/16 financial year (please use a row for each loan and a column for each parameter indicated below):
1. Internal reference number
 2. Principal
 3. Initial counterparty
 4. Date loan was signed
 5. Drawdown date
 6. Maturity date
 7. Option period (number of months)
 8. Start date for teaser rate (if applicable)
 9. Teaser interest rate (if applicable - intended as the discount rate sometimes offered before the initial rate)
 10. Start date for initial rate
 11. Initial interest rate (intended as the rate set for the term of the loan until the first option is called)
 12. First option date
 13. Has the option been exercised?
 14. Most recent date when option was exercised (if applicable)
 15. Interest rate in 2015/16

[NOT PROTECTIVELY MARKED]

16. Interest paid in 2015/16
 17. Fair value in March 2016
 18. Interest rate in 2018/19
 19. Interest paid in 2018/19
 20. Fair value in March 2019
 21. Current counterparty
 22. Name of treasury management advisor when the loan was taken out
 23. Name of broker who arranged the loan
 24. Fee paid to the broker for the loan
- [With reference to your above questions, please see our response attached on page 3.](#)

Internal reference number	Principal	Initial counterparty	Date loan was signed	Drawdown date	Maturity date	Option period (number of months)	Start date for teaser rate (if applicable)	Teaser interest rate (if applicable - intended as the discount rate sometimes offered before the initial rate)	Start date for initial rate	Initial interest rate (intended as the rate set for the term of the loan until the first option is called)	First option date	Has the option been exercised?	Most recent date when option was exercised (if applicable)	Interest rate in 2015-2016	Interest paid in 2015-2016	Fair value in March 2016	Interest rate in 2018-2019	Interest paid in 2018-2019	Fair value in March 2019	Current counterparty	Name of treasury management advisor or when the loan was taken out	Name of broker who arranged the loan	Fee paid to the broker for the loan
	£													£	£	£	£	£	£			£	
1	4,000,000	Eurohypo Europäische Hypothekbank S.A	06/02/2006	23/05/2006	23/05/2066	6	N/A	N/A	23/05/2006	4.95%	23/05/2008	No	N/A	4.95%	197,457.53	6,128,627	4.95%	198,000.00	7,223,367	Commerzbank AG	Sector Treasury Services Limited **	ICAP	9,800
2	5,000,000	Dexia Credit Local	27/01/2006	24/07/2006	26/07/2066	6	N/A	N/A	24/07/2006	4.26%	24/07/2009	No	N/A	4.26%	212,416.43	6,717,578	4.26%	213,000.00	7,984,677	Dexia Credit Local	Sector Treasury Services Limited **	ICAP	10,000
3	5,000,000	Dexia Credit Local	27/01/2006	30/01/2006	29/01/2066	6	N/A	N/A	30/01/2006	4.23%	30/01/2009	No	N/A	4.23%	213,912.33	6,747,226	4.23%	214,500.00	8,007,749	Dexia Credit Local	Sector Treasury Services Limited **	ICAP	10,000
4	3,000,000	Barclays Bank	06/02/2006	04/07/2006	04/07/2066	6	N/A	N/A	04/07/2006	4.40%	04/07/2008	No	N/A	4.40%	131,638.36	4,147,678	4.40%	132,000.00	4,858,242	Barclays Bank *	Sector Treasury Services Limited **	ICAP	5,000
5	2,300,000	Barclays Bank	19/01/2006	30/03/2006	30/03/2066	6	30/03/2006	3.50%	30/03/2007	4.58%	30/03/2007	No	N/A	4.58%	105,628.60	3,261,563	4.58%	105,340.00	3,858,345	Barclays Bank *	Sector Treasury Services Limited **	ICAP	8,580
6	2,500,000	Barclays Bank	19/01/2006	28/04/2006	28/04/2066	6	28/04/2006	3.50%	28/04/2007	4.58%	28/04/2007	No	N/A	4.58%	114,500.00	3,594,196	4.58%	114,186.30	4,242,973	Barclays Bank *	Sector Treasury Services Limited **	ICAP	9,900
7	5,000,000	Danske Bank	24/02/2006	30/06/2006	30/06/2066	6	30/06/2006	3.37%	30/06/2007	4.63%	30/06/2007	No	N/A	4.63%	231,500.00	7,217,672	4.63%	232,768.49	8,539,028	Danske Bank	Sector Treasury Services Limited **	ICAP	6,900
8	5,000,000	Barclays Bank	19/01/2006	28/02/2006	28/02/2066	6	28/02/2006	3.40%	30/08/2007	4.58%	30/08/2007	No	N/A	4.58%	230,254.79	7,107,661	4.58%	229,000.00	8,402,644	Barclays Bank *	Sector Treasury Services Limited **	ICAP	3,750
9	5,000,000	Barclays Bank	19/01/2006	28/04/2006	28/04/2066	6	28/04/2006	3.40%	28/10/2007	4.58%	28/10/2007	No	N/A	4.58%	229,000.00	7,188,393	4.58%	228,372.60	8,485,946	Barclays Bank *	Sector Treasury Services Limited **	ICAP	12,750
10	5,000,000	Danske Bank	24/02/2006	01/06/2006	01/06/2066	6	01/06/2006	3.99%	01/12/2007	4.81%	01/12/2007	No	N/A	4.81%	240,500.00	7,473,043	4.81%	241,817.81	8,844,741	Danske Bank	Sector Treasury Services Limited **	ICAP	6,000
11	5,000,000	Barclays Bank	19/01/2006	23/05/2006	23/05/2066	6	23/05/2006	3.50%	23/05/2008	4.78%	23/05/2008	No	N/A	4.78%	238,345.21	7,436,839	4.78%	239,000.00	8,766,718	Barclays Bank *	Sector Treasury Services Limited **	ICAP	3,750
12	5,000,000	Barclays Bank	19/01/2006	15/06/2006	15/06/2066	6	15/06/2006	3.50%	15/06/2008	4.78%	15/06/2008	No	N/A	4.78%	239,000.00	7,423,864	4.78%	240,309.59	8,753,898	Barclays Bank *	Sector Treasury Services Limited **	ICAP	3,750
13	5,000,000	Barclays Bank	19/01/2006	04/07/2006	04/07/2066	6	04/07/2006	3.50%	04/07/2008	4.78%	04/07/2008	No	N/A	4.78%	238,345.20	7,411,887	4.78%	239,000.00	8,744,282	Barclays Bank *	Sector Treasury Services Limited **	ICAP	3,750
14	7,000,000	DEPFA ACS Bank	10/02/2006	10/04/2006	10/04/2066	6	10/04/2006	3.37%	10/10/2007	4.60%	10/10/2007	No	N/A	4.60%	323,764.38	10,113,699	4.60%	322,000.00	11,952,450	Commerzbank AG	Sector Treasury Services Limited **	ICAP	10,500
15	7,000,000	Barclays Bank	19/01/2006	13/04/2006	13/04/2066	6	13/04/2006	3.37%	13/10/2007	4.58%	13/10/2007	No	N/A	4.58%	320,600.00	10,075,880	4.58%	322,356.71	11,890,444	Barclays Bank *	Sector Treasury Services Limited **	ICAP	3,750
16	2,000,000	Barclays Bank	31/01/2006	05/06/2006	05/06/2066	6	05/06/2006	3.12%	05/12/2007	4.39%	05/12/2007	No	N/A	4.39%	88,281.10	2,766,111	4.39%	87,800.00	3,275,220	Barclays Bank *	Sector Treasury Services Limited **	ICAP	8,600
17	5,000,000	Barclays Bank	31/01/2006	15/02/2006	15/02/2066	6	15/02/2006	3.15%	15/08/2008	4.39%	15/08/2008	No	N/A	4.39%	218,898.64	6,868,215	4.39%	219,500.00	8,133,424	Barclays Bank *	Sector Treasury Services Limited **	ICAP	10,000
18	5,000,000	Barclays Bank	31/01/2006	15/03/2006	15/03/2066	6	15/03/2006	3.15%	15/09/2008	4.39%	15/09/2008	No	N/A	4.39%	219,500.00	6,852,067	4.39%	219,500.00	8,119,476	Barclays Bank *	Sector Treasury Services Limited **	ICAP	10,000
20	7,000,000	Eurohypo Europäische Hypothekbank S.A	20/12/2005	31/05/2006	31/05/2066	60	N/A	N/A	31/05/2006	3.60%	31/05/2009	No	N/A	3.60%	253,380.82	8,230,714	3.60%	252,000.00	9,730,668	Commerzbank AG	Sector Treasury Services Limited **	ICAP	12,600
21	7,000,000	Eurohypo Europäische Hypothekbank S.A	20/12/2005	31/07/2006	31/07/2066	60	N/A	N/A	31/07/2006	3.60%	31/07/2010	No	N/A	3.60%	251,309.58	8,190,925	3.60%	252,000.00	9,821,150	Commerzbank AG	Sector Treasury Services Limited **	ICAP	16,800
22	7,000,000	Barclays Bank	04/01/2006	31/10/2006	31/10/2066	60	N/A	N/A	31/10/2006	3.60%	30/04/2011	No	N/A	3.60%	251,309.59	8,246,009	3.60%	252,000.00	9,877,868	Barclays Bank *	Sector Treasury Services Limited **	ICAP	16,800

* Barclays Bank LCO's converted to fixed rate loans on 30 June 2016.

** Sector Treasury Services Limited were the Council's treasury advisors at the time the loans were taken out, however, there is no information on file as to whether they provided any advice at the time.

B. Please provide copies of:

1. The original LOBO loan contracts
In response to your above question, please find our information attached from page 5 onwards.
2. The invoices for the broker fees
In response to your above question, Section 1 of the Freedom of Information Act 2000 places two duties on public authorities. Unless exemptions apply, the first duty at:
 - Section 1(1) (a) is to confirm or deny whether the information specified in a request is held.
 - The second duty at Section 1(1)(b) is to disclose information that has been confirmed as being held.

In respect of your above question, it has been established after careful consideration that the Council does not hold the above information as these were paid during the financial years 2005-2010 and are therefore outside the statutory requirement for record keeping.

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 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".

Form of Loan Instrument

COPY
L0B020

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 Helenhaff
1736 SENNINGERBERG
LUXEMBOURG



Zu Händen von / Attention:

Mike Williams

Fax:

0044 1902 554408

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 30469

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

Telephone +353 1 649 1616

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 Heienhaff
 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
LOB021

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 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 5.00 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:-

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"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 Heienhaff
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.
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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),
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 4. a document confirming:

1 | 3

EUROHYPO
Europäische Hypothekenbank S.A.
Airport Center - 5, rue Heienhaff
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

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 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.

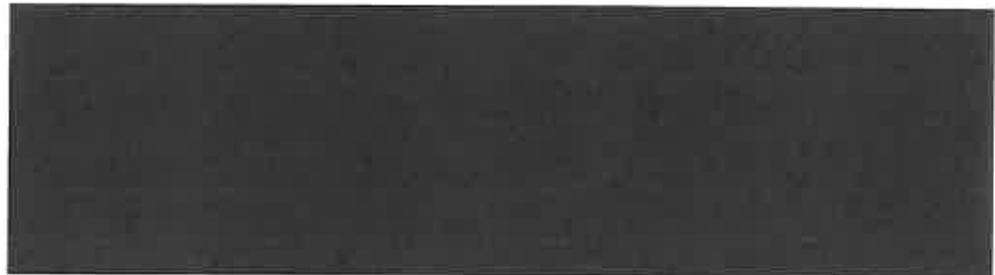
In the event that such payment date is not a Business Day then payment will be made on the next successive Business Day, provided that if such payment date shall fall into the succeeding month, the payment date shall be the preceding business day. ("Modified Following" payment convention)

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 2066.

11. Payments:



12. Security:

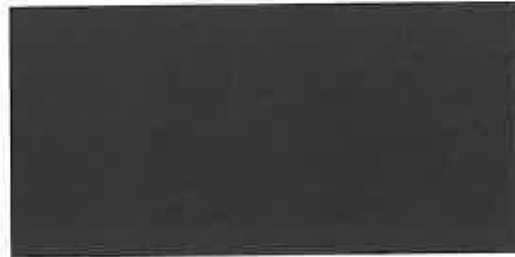
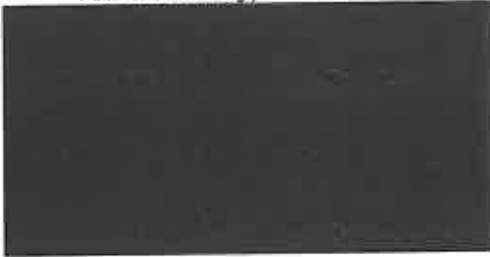
Security for the Loan will be in the form of a mortgage bond or loan certificate issued by the Borrower in favour of the Bank, its successors and/or assignees. The security created by the mortgage bond or loan certificate is to rank pari passu with all your other borrowings.

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 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

PUBLIC DISCLOSED COPY

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)

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

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

LOBO1

Posted
10/2/06

Zu Händen von / Attention:

Mike Williams

Ihr Ansprechpartner / Your Contact:

Fax:

0044 1902 554406

Tel.:

0044 1902 554401

Fax:

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

4

Telefon / Phone:

Datum / Date:

03. February 2006

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:** four million pounds sterling (GBP 4,000,000) ("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 23rd May 2005
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:

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EUROHYPO
Europäische Hypothekenbank S.A.
Airport Center - 5, rue Heienhaff
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), Reinold Dibus
(German), Wolfgang Groth (German).

Telephone +353 1 649 1618

Branch registered in Ireland
Registration no. E 4350

- 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 23rd May 2006.

7. Interest Rate: 4,95% 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 23rd May and 23rd 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 three business days notice) on 23rd May 2008 and every six months 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 23rd May 2066.
11. Payments: All payments of interest in respect of this loan and the repayment of the principal will be made to Deutsche Bank London (DE JTGB2L) [REDACTED] for further credit to Deutsche Bank Frankfurt (DEUTDEFF) account no. [REDACTED] for account of EUROHYPO Europäische Hypothekenbank S.A., account number [REDACTED]

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.

14. Additional Transaction:

In addition to the Borrower and Lender entering into the above Loan, the Borrower and Lender agree as follows:

On 23rd May 2006:

- the Borrower and Lender will cancel the existing Loan Instrument (Local Bond) for GBP 4,000,000.-, currently at a rate of 5,10 % maturing 23rd May 2042. Simultaneously the Borrower will issue a new Loan Instrument reflecting the terms and conditions outlined above. On receipt of the New Loan Instrument, the Lender will return the existing Loan Instrument by first class post to the Borrower.

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,



Jean-Luc Spetz



Walter Siemann

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 03rd February 2006 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: 9/2/06

Name: _____
Title: _____
Date: _____

Form of Loan Instrument

LOCAL AUTHORITY LOAN INSTRUMENT CERTIFICATE NUMBER 2002-01(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:	£4,000,000. (Four Million Pounds).
DATE ACCEPTED:	6 th February 2006
DATE OF DRAWDOWN:	23 rd May 2006
INTEREST:	<p>Interest on the Principal shall accrue at 4.95% 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 23rd May and 23rd November 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:	23 rd May 2066
AMOUNT OF REPAYMENT OF PRINCIPAL:	£4,000,000. (Four 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 23rd May 2008 and each period of six months thereafter.

EXECUTED on behalf of Wolverhampton City Council on the 6th day of February 2006.

By:



Authorised Signatory

B Bailey
Director for Resources and
Support



Authorised Signatory

W M Williams
Deputy Director for Resources

COPY
LOB02

LOAN INSTRUMENT NO. 2003 / 1 (a2)

Wolverhampton City Council acknowledge 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: Dexia Credit Local – London Branch

AMOUNT OF PRINCIPAL: £5,000,000.00 (Five Million Pounds)

DATE ACCEPTED: 27 January 2006 **DATE OF DRAWDOWN** 24 July 2006

INTEREST:

(a) 4.26% per annum from the 24 July 2006 until 24 July 2009 and thereafter at 4.26% per annum, with interest payable on 24 January and 24 July

(b) The Registered Holder has the right on the 24 July 2009 (and on any semi annual interest payment date thereafter), (each an 'effective date') by means of notice to Wolverhampton City Council to be delivered no later than 11.00am four business days prior to the relevant effective date, to alter the Interest (to a rate determined by the Registered Holder) and, if notice is given the rate of Interest will change to the rate so notified but Clause 8 below will apply.

(c) In the event that any such interest payment date or any other payment date or interest rate change date falls on either a weekend or a Bank Holiday any such date will be on the next business day unless that day is in the following month in which case it should be the day prior to the Bank Holiday or weekend. Interest to be computed on a 365-day year basis. When applicable the 29th February is an interest-bearing day. Interest will be calculated on the actual number of days elapsed in each interest period.

DATE OF REPAYMENT OF PRINCIPAL: 26 July 2066

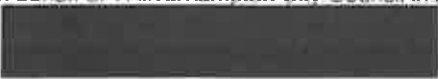
AMOUNT OF REPAYMENT OF PRINCIPAL: £5,000,000.00 (Five Million Pounds)

CONDITIONS:

1. The amount of this Loan Instrument is acknowledged to be a debt payable to the Registered Holder by Wolverhampton City Council.
2. Interest is payable from the date of drawdown on the face of this Loan Instrument and 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 amount of Principal together with all interest accrued and together with any broken funding costs and associated financing costs thereby incurred.
4. Wolverhampton City Council shall have no rights of set-off, counter-claims or deductions from payments in respect of the debt.
5. Nothing herein shall prejudice the Registered Holder's right of set-off or any other benefit which the Registered Holder may enjoy.
6. The debt acknowledged by this 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 Wolverhampton City Council, who shall acknowledge and register any such transfer.
7. 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 or on the date for prepayment in accordance with Clause 8 below.
8. If the Registered Holder exercised the right to alter the Interest then Wolverhampton City 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 at the office specified from time to time from Wolverhampton City Council no later than 11.00am two business days prior to the relevant effective date. The amount payable to redeem this Loan Instrument on any date other than the date of Repayment of Principal or a date in which Interest is altered is the Principal and all accrued interest thereon together with all broken funding and associated financing costs (if any) incurred by the Registered Holder (on such date) arising from early termination of the funding and associated financing arrangements for this loan.

Duly executed on behalf of Wolverhampton City Council in accordance with *Standing Order No[....] / Financial Regulation No[....].

Examined by:



Director of Finance and Registrar of Loan Instruments

DEPUTY DIRECTOR FOR RESOURCES



Public Finance Bank

Director for Resources and Support
Wolverhampton City Council
Civic Centre
St Peter's Square
Wolverhampton
WV1 1RL

27th January 2006

Attention: Brian Bailey/Mike Williams

Dear Sir,

Re: Transaction via: Garban Intercapital plc

We write to confirm details of the replacement loan arranged today:

Existing Arrangement

Borrower:	Wolverhampton City Council
Amount:	£5,000,000.00 (Five Million Pounds)
Loan Start Date:	24 January 2003
Period:	40 Years
Repayment:	26 January 2043
Interest Rate:	3.25%pa until 24 January 2006 and 4.50%pa, thereafter
Interest Payable on:	24 January, 24 July semi annually.

Accrued Interest Payable: 24 July 2006 £111,575.34*

New Arrangement:

Borrower:	Wolverhampton City Council
Amount:	£5,000,000.00 (Five Million Pounds)
Loan Start Date:	24 July 2006
Period:	60 Years
Repayment:	26 July 2066
Interest Rate:	4.26%pa until 24 July 2009 and 4.26%pa thereafter,

Interest Payable on: 24 January, 24 July semi annually.

- a. In the event that such payment date falls on either a weekend or a Bank Holiday the interest payment date will be on the next business day unless that day is in the following month in which case it should be the day prior to the Bank Holiday or weekend. Interest to be computed on a 365-day year basis. When applicable the 29th February is an interest-bearing day. Interest will be calculated on the actual number of days elapsed in each interest period.

- b. The Registered Holder has the right on 24 July 2009 (and on any semi annual interest payment date thereafter), (each an 'effective date') by means of notice to Wolverhampton City Council to be delivered no later than 11.00am four business days prior to the relevant effective date, to alter the interest (to a rate determined by the Registered Holder) and, if notice is given the rate of interest will change to the rate so notified, but subject to the conditions set out in clause 8 of the Loan Instrument.

Date of First Payment: 24 January 2007
Amount of First Payment: £107,375.34
Security/Documentation: Loan Instrument in the form appended. (Original for execution to follow by post)

Your Bank Details: Bank: Co operative Bank plc
Sort Code: [REDACTED] A/C Number: [REDACTED]

Our Bank Details: Bank: Citibank NA, Citigroup Centre, Canary Wharf, London
Sort Code: [REDACTED] A/c Number: [REDACTED]

The address and facsimile number for each party for all notices under or in connection with this Loan are as set out below or any other notified by that party for this purpose to the other party by not less than five business days notice:

The Registered Holder: Dexia Credit Local - London Branch
4 Battle Bridge Lane
London SE1 2RB
Fax: [REDACTED]
Attention: [REDACTED] Senior Manager - Operations

The Borrower: Wolverhampton City Council
Address: Civic Centre
St Peter's Square
Wolverhampton
W Midlands WV1 1RL
Fax: 01902 554406
Attention: Brian Bailey/Mike Williams

Please confirm by return to fax No [redacted] our concurrence that the above loan details as set out above are correct. When replying please also confirm that the details we currently hold for (1) (2) and (3) below remain unchanged:

- (1) a list of those persons authorised to "deal" on behalf of the authority;
- (2) a copy of the Standing Order relating to the execution of loan instruments
- (3) specimen signatures of those persons authorised a) to deal and b) to sign loan instruments on behalf of the Council
- (4) a copy of our Loan Instrument duly completed.

} These details remain unchanged

Upon receipt of the original signed Loan Instrument we shall return the existing Loan Instrument in our possession for cancellation on the loan replacement start date.

As agreed via Garban Intercapital plc there will be no exchange of funds, except accrued interest of £111,575.34, however, please ensure we receive this confirmation duly signed by an authorised person together with (4) by 12.00 Noon on the replacement loan start date.

Yours faithfully
For and on Behalf of
Dexia Credit Local - London Branch

Date:
Agreed for and on behalf of
Wolverhampton City Council

[redacted]
[redacted]
[redacted]
Authorised Signatories

[redacted]
Authorised Signatory

Please note that all telephone conversations are taped as per the Inter-Professional Conduct rules.

(COPY)
LOB03

LOAN INSTRUMENT NO. 2003 / 2 (a2)

Wolverhampton City Council acknowledge 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: Dexia Credit Local – London Branch
AMOUNT OF PRINCIPAL: £5,000,000.00 (Five Million Pounds)
DATE ACCEPTED: 27 January 2006 **DATE OF DRAWDOWN** 30 January 2006

INTEREST:

- (a) 4.29% per annum from the 30 January 2006 until 30 January 2009 and thereafter at 4.29% per annum, with interest payable on 30 July and 30 January
- (b) The Registered Holder has the right on the 30 January 2009 (and on any semi annual interest payment date thereafter), (each an 'effective date') by means of notice to Wolverhampton City Council to be delivered no later than 11.00am four business days prior to the relevant effective date, to alter the Interest (to a rate determined by the Registered Holder) and, if notice is given the rate of interest will change to the rate so notified but Clause 8 below will apply.
- (c) In the event that any such interest payment date or any other payment date or interest rate change date falls on either a weekend or a Bank Holiday any such date will be on the next business day unless that day is in the following month in which case it should be the day prior to the Bank Holiday or weekend. Interest to be computed on a 365-day year basis. When applicable the 29th February is an interest-bearing day. Interest will be calculated on the actual number of days elapsed in each interest period.

DATE OF REPAYMENT OF PRINCIPAL: 29 January 2066
AMOUNT OF REPAYMENT OF PRINCIPAL: £5,000,000.00 (Five Million Pounds)

CONDITIONS:

1. The amount of this Loan Instrument is acknowledged to be a debt payable to the Registered Holder by Wolverhampton City Council.
2. Interest is payable from the date of drawdown on the face of this Loan Instrument and 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 amount of Principal together with all interest accrued and together with any broken funding costs and associated financing costs thereby incurred.
4. Wolverhampton City Council shall have no rights of set-off, counter-claims or deductions from payments in respect of the debt.
5. Nothing herein shall prejudice the Registered Holder's right of set-off or any other benefit which the Registered Holder may enjoy.
6. The debt acknowledged by this 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 Wolverhampton City Council, who shall acknowledge and register any such transfer.
7. 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 or on the date for prepayment in accordance with Clause 8 below.
8. If the Registered Holder exercised the right to alter the Interest then Wolverhampton City 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 at the office specified from time to time from Wolverhampton City Council no later than 11.00am two business days prior to the relevant effective date. The amount payable to redeem this Loan Instrument on any date other than the date of Repayment of Principal or a date in which interest is altered is the Principal and all accrued interest thereon together with all broken funding and associated financing costs (if any) incurred by the Registered Holder (on such date) arising from early termination of the funding and associated financing arrangements for this loan.

Duly executed on behalf of Wolverhampton City Council in accordance with *Standing Order No[.....] / Financial Regulation No[.....].

Examined by:

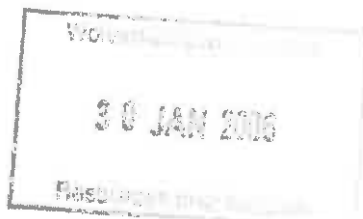


Director of Finance and Registrar of Loan Instruments



Public Finance Bank

Director for Resources and Support
Wolverhampton City Council
Civic Centre
St Peter's Square
Wolverhampton
WV1 1RL



27th January 2006

Attention: Brian Bailey/Mike Williams

Dear Sir,

Re: Transaction via: Garban Intercapital plc

We write to confirm details of the replacement loan arranged today:

Existing Arrangement

Borrower:	Wolverhampton City Council
Amount:	£5,000,000.00(Five Million Pounds)
Loan Start Date:	30 January 2003
Period:	40 Years
Repayment:	30 January 2043
Interest Rate:	2.75%pa until 30 January 2006 and 4.50%pa,thereafter
Interest Payable on:	30 July, 30 January semi annually.
Accrued Interest Payable:	30 January 2006 £69,691.78*

New Arrangement:

Borrower:	Wolverhampton City Council
Amount:	£5,000,000.00 (Five Million Pounds)
Loan Start Date:	30 January 2006
Period:	60 Years
Repayment:	29 January 2066
Interest Rate:	4.29%pa until 30 January 2009 and 4.29%pa thereafter, <u>Subject to (b) below.</u>
Interest Payable on:	30 July, 30 January semi annually.

- a. In the event that such payment date falls on either a weekend or a Bank Holiday the interest payment date will be on the next business day unless that day is in the following month in which case it should be the day prior to the Bank Holiday or weekend. Interest to be computed on a 365-day year basis. When applicable the 29th February is an interest-bearing day. Interest will be calculated on the actual number of days elapsed in each interest period.

- b. The Registered Holder has the right on 30 January 2009 (and on any semi annual interest payment date thereafter), (each an 'effective date') by means of notice to Wolverhampton City Council to be delivered no later than 11.00am four business days prior to the relevant effective date, to alter the interest (to a rate determined by the Registered Holder) and, if notice is given the rate of interest will change to the rate so notified, but subject to the conditions set out in clause 8 of the Loan Instrument.

Date of First Payment: 31 July 2006
Amount of First Payment: £106,956.16
Security/Documentation: Loan Instrument in the form appended. (Original for execution to follow by post)

Your Bank Details: Bank: Co operative Bank plc

Sort Code: [REDACTED] A/C Number: [REDACTED]

Our Bank Details: Bank: Citibank NA, Citigroup Centre, Canary Wharf, London
Sort Code: [REDACTED] A/c Number: [REDACTED]

The address and facsimile number for each party for all notices under or in connection with this Loan are as set out below or any other notified by that party for this purpose to the other party by not less than five business days notice:

The Registered Holder: Dexia Credit Local - London Branch
4 Battle Bridge Lane
London SE1 2RB

Fax: [REDACTED]
Attention: [REDACTED] Senior Manager - Operations

The Borrower: Wolverhampton City Council
Address: Civic Centre
St Peter's Square
Wolverhampton
W Midlands WV1 1RL

Fax: 01902 554406
Attention: Brian Bailey/Mike Williams



Please confirm by return to fax No [redacted] your concurrence that the above loan details as set out above are correct. When replying please also confirm that the details we currently hold for (1) (2) and (3) below remain unchanged:

- (1) a list of those persons authorised to "deal" on behalf of the authority;
- (2) a copy of the Standing Order relating to the execution of loan instruments
- (3) specimen signatures of those persons authorised a) to deal and b) to sign loan instruments on behalf of the Council
- (4) a copy of our Loan Instrument duly completed.

These details remain unchanged

Upon receipt of the original signed Loan Instrument we shall return the existing Loan Instrument in our possession for cancellation on the loan replacement start date. [redacted]

As agreed via Garban Intercapital plc there will be no exchange of funds, except accrued interest of £69,691.78, however, please ensure we receive this confirmation duly signed by an authorised person together with (4) by 12.00 Noon on the replacement loan start date.

Yours faithfully
For and on Behalf of
Dexia Credit Local - London Branch

Date:
Agreed for and on behalf of
Wolverhampton City Council

[redacted signature area]

[redacted signature area]

Authorised Signatories

Authorised Signatory

Please note that all telephone conversations are taped as per the Inter-Professional Conduct rules.



Local Authorities Team
Level 27
1 Churchill Place
London
E14 5HP

Mr M Taylor
Financial Controller, Corporate Services
Wolverhampton City Council
Civic Centre
St. Peter's Square
Wolverhampton
West Midlands
WV1 1RL

Tel +44 (0)20 7116 1000
Fax +44 (0)20-7116-7633

www.barclays.com



1st May 2012

Dear Mr Taylor,

**Transfer of £3,000,000 loan facility agreement drawn 4th July 2006 between
Wolverhampton City Council and Barclays Bank PLC (the "Facility Agreement")**

Please note that Barclays intends to transfer its rights and obligations under the Facility Agreement to Ka Finanz AG on 11th May 2012, by signing and delivering a stock transfer form to Ka Finanz AG.

When Ka Finanz AG delivers to you a copy of the stock transfer form, together with their bank details, they will ask you to pay them any principal and interest accruing under the Facility Agreement from 4th July 2012, which is the next interest settlement date.

If you have any questions regarding the transfer to Ka Finanz AG, please could you contact the undersigned.

Yours sincerely,



Tony Norman
Associate Director
Education, Social Housing and Local Authorities Team

Direct line: [REDACTED]

Mobile: [REDACTED]

E-mail: [REDACTED]

3rd February 2006

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

Tel 020 7116 9080
Fax 020 7116 7636

www.barclays.com

Dear Mr Williams,

Barclays Bank PLC ("the Bank") has pleasure in confirming the following loan facility that was executed on 1st February 2006 with Wolverhampton City Council ("the Council"):

- Amount: £3,000,000. (Three Million Pounds).
- Date of Drawdown: 4th July 2006
- Date of Repayment: 4th July 2066
- Period: 60 years.
- Interest Rate: (a) 4.40% 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 [REDACTED] with the originals to follow by post.

Yours sincerely

[REDACTED]

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 [REDACTED]

Date 6/2/06

Print Name W.M. WILLIAMS

Position DEPUTY DIRECTOR
FOR RESOURCES

For & on behalf of Wolverhampton City Council

LOBDC
COPY

Form of Loan Instrument

LOCAL AUTHORITY LOAN INSTRUMENT CERTIFICATE NUMBER 7/2004(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: £3,000,000 (Three Million Pounds)

DATE ACCEPTED: 1st February 2006

DATE OF DRAWDOWN: 4th July 2006

INTEREST: Interest on the Principal shall accrue at 4.40% 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 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: 4th July 2066

AMOUNT OF REPAYMENT OF PRINCIPAL: £3,000,000 (Three 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. 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 4th July 2008 and each period of six months thereafter.

EXECUTED on behalf of Wolverhampton City Council,

on the6th..... day ofFEBRUARY....., 2006.

By:



Authorised Signatory

W. M. WILLIAMS
DEPUTY DIRECTOR
FOR RESOURCES

Name and Title of
Authorised Signatory



Authorised Signatory

B. BAILEY
DIRECTOR FOR RESOURCES
AND SUPPORT

Name and Title of
Authorised Signatory



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

17th January 2006

Tel 020 7116 5021
Fax 020 7116 7636

Mr Brian Bailey
Co-ordinating Director for Finance and Physical Resources
Wolverhampton City Council
Civic Centre, St. Peter's 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 16th January 2006 with Wolverhampton City Council ("the Council"):

Amount: £2,300,000 (Two Million Three Hundred Thousand Pounds)

Date of Drawdown: 30th March 2006

Date of Repayment: 30th March 2066

Period: 60 years.

Interest Rate: (a) 3.50% fixed per annum during the period from 30th March 2006 to, but excluding, 30th March 2007 and thereafter 4.58% 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 4.58% per annum occurring on 30th March 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 [REDACTED] with the originals to follow by post.

Yours sincerely

[REDACTED]
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

[REDACTED]

Date

19/1/06

Print Name W. M. WILLIAMS

Position DEPUTY DIRECTOR
FOR RESOURCES

For & on behalf of Wolverhampton City Council

Form of Loan Instrument

LOCAL AUTHORITY LOAN INSTRUMENT CERTIFICATE NUMBER 1/2004 (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: £2,300,000. (Two Million Three Hundred Thousand Pounds).

DATE ACCEPTED: 16th January 2006.

DATE OF DRAWDOWN: 30th March 2006.

INTEREST: Interest on the Principal shall accrue at: -

a) 3.50% per annum during the period from 30th March 2006 to, but excluding, 30th March 2007 and thereafter at 4.58% 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 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 2066.

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 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 4.58% 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, 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 30th March 2007 and each period of six months thereafter.

EXECUTED on behalf of Wolverhampton City Council on the 19 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



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

17th January 2006

Tel 020 7116 5021
Fax 020 7116 7636

Mr Brian Bailey
Co-ordinating Director for Finance and Physical Resources
Wolverhampton City Council,
Civic Centre, St Peter's 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 16th January 2006 with Wolverhampton City Council ("the Council"):

Amount:	£2,500,000 (Two Million Five Hundred Thousand Pounds)
Date of Drawdown:	28 th April 2006
Date of Repayment:	28 th April 2066
Period:	60 years.
Interest Rate:	(a) 3.50% fixed per annum during the period from 28 th April 2006 to, but excluding, 28 th April 2007 and thereafter 4.58% 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 4.58% per annum occurring on 28th April 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 [REDACTED] with the originals to follow by post.

Yours sincerely

[REDACTED]

**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

[REDACTED]

Date 19/1/06

Print Name W.M. WILLIAMS

Position DEPUTY DIRECTOR
FOR RESOURCES

For & on behalf of Wolverhampton City Council

Form of Loan Instrument

LOCAL AUTHORITY LOAN INSTRUMENT CERTIFICATE NUMBER 5/2004(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: £2,500,000. (Two Million Five Hundred Thousand Pounds).

DATE ACCEPTED: 16th January 2006.

DATE OF DRAWDOWN: 28th April 2006.

INTEREST: Interest on the Principal shall accrue at: -

- a) 3.50% per annum during the period from 28th April 2006 to, but excluding, 28th April 2007 and thereafter at 4.58% 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 28th April and 28th 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: 28th April 2066.

AMOUNT OF REPAYMENT OF PRINCIPAL: £2,500,000. (Two Million Five 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 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 4.58% per annum occurring on 28th 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, 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 28th April 2007 and each period of six months thereafter.

EXECUTED on behalf of Wolverhampton City Council on the 19 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

FAX MESSAGE



London Branch
75 King William Street
London
EC4N 7DT

21 February 2006

To: **Wolverhampton City Council**
Fax No: **01902 554406**
Company:
Department: **Finance Department**
Attention: **Mr Mike Williams**

From: [Redacted]
Department: **Credit Department**
Fax No: [Redacted]
Telephone No: [Redacted]
Reference: [Redacted]

Message: **CONFIRMATION**

Dear Sirs

The purpose of this letter is to set forth the terms and conditions of the transaction entered into between us on the Trade Date referred to below. This trade replaces existing LOBO traded on 3rd February 2004.

- 1. Trade Date : 20th February 2006
- 2. Trade Type : Step-up LOBO
- 3. Coupon : 30/06/06 – 30/06/07 at 3.37% - Semi Annually on 30th December and 30th June, 30/06/07 – 30/06/66 at 4.63% - Semi Annually on 30th December and 30th June
- 4. Value Date : 30th June 2006
- 5. Nominal : GBP 5,000,000.00
- 6. LOBO Details : LOBO effective from 30/06/2007 and 6 monthly thereafter
- 7. Maturity : 30th June 2066
- 8. Lender : Danske Bank A/S London Branch
- 9. Borrower : Wolverhampton City Council



10. Settlement Details: **Danske Bank London (from the 04.4.05)**
HSEC PLC (MIDLGB22)
 For Account Danske Bank Copenhagen sort code [redacted] account number [redacted]
 [redacted]
 For further credit to: Danske Bank London

11. Required documentation: **Loan instrument and certificate.**

12. Warranty: **By the signature(s) on this Confirmation, the signatory(ies) for the Wolverhampton City Council warrant(s) that :**

(i) **Wolverhampton City Council is authorised in accordance with the Local Government and Housing Act 1989 to enter into LOBOs in general and in particular the LOBO represented by this Confirmation ; and**

(ii) **They have full and binding authority to execute this Confirmation for and on behalf of Wolverhampton City Council.**

Please note that on 1st June 2006 we will forward the existing certificate for you to reissue a new certificate under new terms.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing a copy of the Confirmation and returning it to Credit Department 0044207 4108005.

Danske Bank

Authorised Signature

Authorised Signature

Wolverhampton City Council

Authorised Signature

B. BAILEY
 DIRECTOR FOR RESOURCES

Authorised Signature

W. M. WILLIAMS
 DEPUTY DIRECTOR FOR RESOURCES

WOLVERHAMPTON CITY COUNCIL

Certificate of particulars of loan

This is to certify pursuant to Section 1 of the Local Government Act 2003 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 A/S London Branch

AMOUNT OF PRINCIPLE: GBP 5,000,000.00

ADVANCE DATE: 30th June 2006

INTEREST:

(a) Rate & Dates

3.37% semi annually on the 30th December and 30th June until the 30th June 2007, thereafter 4.63% semi annually on the 30th December and 30th June until 2066. 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 30th June 2007 and every 6 months after the proceeding LOBO date thereafter, by means of notice four 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 FOR RESOURCES

Date 24/2/06

WOLVERHAMPTON CITY COUNCIL

LOAN INSTRUMENT NO: 4/2004(2)

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 A/S London Branch
AMOUNT OF PRINCIPLE:	GBP 5,000,000.00
ADVANCE DATE:	30 th June 2006
INTEREST:	<p>(a) Rate & Dates 3.37% semi annually on the 30th December and 30th June until the 30th June 2007, thereafter 4.63% semi annually on the 30th December and 30th June until 2066. 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 30th June 2007 and on every 6 months after the preceding LOBO Date thereafter, by means of notice four 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 PRINCIPLE:	30 th June 2066.
AMOUNT OF REPAYMENT OF PRINCIPLE:	GBP 5,000,000.00

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 5.00pm 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 four London business days prior to the effective date.

This Loan Instrument is in compliance with the Local Government Act 2003 and the Local Authorities Borrowing Regulations 1990.

By:....



Name: W. M. WILLIAMS

Title: DEPUTY DIRECTOR FOR RESOURCES



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

17th January 2006

Tel 020 7116 5021
Fax 020 7116 7636

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

www.barclays.com

Dear Mr Williams,

Barclays Bank PLC ("the Bank") has pleasure in confirming the following loan facility that was executed on 16th January 2006 with Wolverhampton City Council ("the Council"):

- Amount: £5,000,000 (Five Million Pounds)
- Date of Drawdown: 28th February 2006
- Date of Repayment: 28th February 2066
- Period: 60 years.
- Interest Rate: (a) 3.40% fixed per annum during the period from 28th February 2006 to, but excluding, 30th August 2007 and thereafter 4.58% 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 3.40% per annum to 4.58% per annum occurring on 30th August 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 [REDACTED] with the originals to follow by post.

Yours sincerely

[REDACTED]
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

[REDACTED]

Date 19/1/06

Print Name W. M. WILLIAMS

Position DEPUTY DIRECTOR
FOR RESOURCES

For & on behalf of Wolverhampton City Council

Form of Loan Instrument

LOCAL AUTHORITY LOAN INSTRUMENT CERTIFICATE NUMBER 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: 16th January 2006.

DATE OF DRAWDOWN: 28th February 2006.

INTEREST: Interest on the Principal shall accrue at: -

a) 3.40% per annum during the period from 28th February 2006 to, but excluding, 30th August 2007 and thereafter at 4.58% 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 28th February and 28th August 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 February 2066.

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 3.40% per annum to 4.58% per annum occurring on 30th 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, 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 30th August 2007 and each period of six months thereafter.

EXECUTED on behalf of Wolverhampton City Council on the 19 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



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

17th January 2006

Tel 020 7116 5021
Fax 020 7116 7636

Mr Brian Bailey
Co-ordinating Director for Finance and Physical Resources
Wolverhampton City Council,
Civic Centre, St Peter's 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 16th January 2006 with Wolverhampton City Council ("the Council"):

- Amount: £5,000,000 (Five Million Pounds)
- Date of Drawdown: 28th April 2006
- Date of Repayment: 28th April 2066
- Period: 60 years.
- Interest Rate: (a) 3.40% fixed per annum during the period from 28th April 2006 to, but excluding, 28th October 2007 and thereafter 4.58% 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 3.40% per annum to 4.58% per annum occurring on 28th October 2007 and not otherwise.

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

Funding Costs:

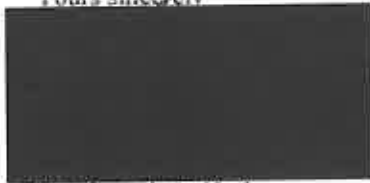
The terms and conditions referred to above include in Condition 4 an obligation on the Council to pay the Bank an amount which preserves the economic equivalent of the interest payments if (i) the proposed loan is not drawn down or (ii) the loan is repaid or prepaid (otherwise than on (a) the date specified 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 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 19/1/06

Print Name W.M. WILLIAMS

Position DEPUTY DIRECTOR

FOR RESOURCES

For & on behalf of Wolverhampton City Council

Form of Loan Instrument

LOCAL AUTHORITY LOAN INSTRUMENT CERTIFICATE NUMBER 3/2004(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: 16th January 2006.

DATE OF DRAWDOWN: 28th April 2006.

INTEREST: Interest on the Principal shall accrue at: -

- a) 3.40% per annum during the period from 28th April 2006 to, but excluding, 28th October 2007 and thereafter at 4.58% 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 28th April and 28th 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:

28th April 2066.

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 3.40% per annum to 4.58% per annum occurring on 28th 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 28th October 2007 and each period of six months thereafter.

EXECUTED on behalf of Wolverhampton City Council on the 19 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

FAX MESSAGE



London Branch
75 King William Street
London
EC4N 7DT

21 February 2006

To: **Wolverhampton City Council**
Fax No: **01902 554406**
Company: _____
Department: **Finance Department**
Attention: **Mr Mike Williams**

From: _____
Department: **Credit Department**
Fax No: _____
Telephone No: _____
Reference: _____

Message: **CONFIRMATION**

Dear Sirs

The purpose of this letter is to set forth the terms and conditions of the transaction entered into between us on the Trade Date referred to below. This trade replaces existing LOBO traded on 14th May 2004.

1. Trade Date : 20th February 2006
2. Trade Type : Step-up LOBO
3. Coupon : 01/06/06 – 01/12/07 at 3.99% - Semi Annually on 1st December and 1st June
01/12/07 – 01/12/66 at 4.81% - Semi Annually on 1st December and 1st June
4. Value Date : 1st June 2006
5. Nominal : GBP 5,000,000.00
6. LOBO Details : LOBO effective from 01/12/2007 and 6 monthly thereafter
7. Maturity : 1st December 2066
8. Lender : Danske Bank A/S London Branch
9. Borrower : Wolverhampton City Council



10. Settlement Details: **Danske Bank London (from the 04.4.05)**
HSBC PLC (MIDLGB22)
 For Account Danske Bank Copenhagen sort code [redacted] account number:
 [redacted]
 For further credit to: Danske Bank London

11. Required documentation: Loan instrument and certificate.

12. Warranty: By the signature(s) on this Confirmation, the signatory(ies) for the Wolverhampton City Council warrant(s) that :

(i) Wolverhampton City Council is authorised in accordance with the Local Government and Housing Act 1989 to enter into LOBOs in general and in particular the LOBO represented by this Confirmation ; and

(ii) They have full and binding authority to execute this Confirmation for and on behalf of Wolverhampton City Council.

Please note that on 1st June 2006 we will forward the existing certificate for you to reissue a new certificate under new terms.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing a copy of the Confirmation and returning it to Credit Department 0044207 4108005.

Danske Bank

Authorised Signature

Authorised Signature

Wolverhampton City Council

Authorised Signature

B.BAILEY
 DIRECTOR FOR RESOURCES

Authorised Signature

W.M.WILLIAMS
 DEPUTY DIRECTOR FOR RESOURCES

WOLVERHAMPTON CITY COUNCIL

Certificate of particulars of loan

This is to certify pursuant to Section 1 of the Local Government Act 2003 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 A/S London Branch
AMOUNT OF PRINCIPLE:	GBP 5,000,000.00
ADVANCE DATE:	1 st June 2006
INTEREST:	<p>(a) Rate & Dates 3.99% semi annually on the 1st December and 1st June until the 1st June 2007, thereafter 4.81% semi annually on the 1st December and 1st June until 2066. 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 1st June 2007 and every 6 months after the proceeding LOBO date thereafter, by means of notice four 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>

EXECUTED on behalf of

By 
Authorised Signatory

Name..W.M. WILLIAMS.....

Title..REPLUY DIRECTOR FOR RESOURCES.....

Date ..24/2/06.....

WOLVERHAMPTON CITY COUNCIL

LOAN INSTRUMENT NO:

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 A/S London Branch
AMOUNT OF PRINCIPLE:	GBP 5,000,000.00
ADVANCE DATE:	1 st June 2006
INTEREST:	<p>(a) Rate & Dates 3.99% semi annually on the 1st December and 1st June until the 1st June 2007, thereafter 4.81% semi annually on the 1st December and 1st June until 2066. 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 1st June 2007 and on every 6 months after the preceding LOBO Date thereafter, by means of notice four 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 PRINCIPLE:	1 st June 2066.
AMOUNT OF REPAYMENT OF PRINCIPLE:	GBP 5,000,000.00

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 5.00pm 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 four London business days prior to the effective date.

This Loan Instrument is in compliance with the Local Government Act 2003 and the Local Authorities Borrowing Regulations 1990.

By:..... 

Name: W M. WILLIAMS

Title: DEPUTY DIRECTOR OF RESOURCES



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

17th January 2006

Tel 020 7116 5021
Fax 020 7116 7636

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

www.barclays.com

Dear Mr Williams,

Barclays Bank PLC ("the Bank") has pleasure in confirming the following loan facility that was executed on 16th January 2006 with Wolverhampton City Council ("the Council"):

- Amount: £5,000,000 (Five Million Pounds)
- Date of Drawdown: 23rd May 2006
- Date of Repayment: 23rd May 2066
- Period: 60 years.
- Interest Rate: (a) 3.50% fixed per annum during the period from 23rd May 2006 to, but excluding, 23rd May 2008 and thereafter 4.78% 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 4.78% 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 [REDACTED] with the originals to follow by post.

Yours sincerely

[REDACTED]
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 [REDACTED]

Date

19/1/06

Print Name W.M. WILLIAMS

Position DEPUTY DIRECTOR
FOR RESOURCES

For & on behalf of Wolverhampton City Council

Form of Loan Instrument

LOCAL AUTHORITY LOAN INSTRUMENT CERTIFICATE NUMBER 2005/1 (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: 16th January 2006.

DATE OF DRAWDOWN: 23rd May 2006.

INTEREST: Interest on the Principal shall accrue at: -

a) 3.50% per annum during the period from 23rd May 2006 to, but excluding, 23rd May 2008 and thereafter at 4.78% 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 May and 23rd 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:

23rd May 2066.

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 4.78% 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 19 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



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

17th January 2006

Tel 020 7116 5021
Fax 020 7116 7636

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

www.barclays.com

Dear Mr Williams,

Barclays Bank PLC ("the Bank") has pleasure in confirming the following loan facility that was executed on 16th January 2006 with Wolverhampton City Council ("the Council").

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

Date of Drawdown: 15th June 2006

Date of Repayment: 15th June 2066

Period: 60 years.

Interest Rate: (a) 3.50% fixed per annum during the period from 15th June 2006 to, but excluding, 15th June 2008 and thereafter 4.78% 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 3.40% per annum to 4.58% per annum occurring on 15th June 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 [REDACTED] with the originals to follow by post.

Yours sincerely

[REDACTED]

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

[REDACTED]

Date 19/1/06

Print Name W.M. WILLIAMS

Position DEPUTY DIRECTOR
FOR RESOURCES

For & on behalf of Wolverhampton City Council

Form of Loan Instrument

LOCAL AUTHORITY LOAN INSTRUMENT CERTIFICATE NUMBER 2005/2 (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: 16th January 2006.

DATE OF DRAWDOWN: 15th June 2006.

INTEREST: Interest on the Principal shall accrue at: -

a) 3.50% per annum during the period from 15th June 2006 to, but excluding, 15th June 2008 and thereafter at 4.78% 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 June and 15th December 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 2066.

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 4.78% per annum occurring on 15th 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 15th June 2008 and each period of six months thereafter.

EXECUTED on behalf of Wolverhampton City Council on the 19 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



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

17th January 2006

Tel 020 7116 5021
Fax 020 7116 7636

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

www.barclays.com

Dear Mr Williams,

Barclays Bank PLC ("the Bank") has pleasure in confirming the following loan facility that was executed on 16th January 2006 with Wolverhampton City Council ("the Council"):

- Amount:** £5,000,000 (Five Million Pounds)
- Date of Drawdown:** 4th July 2006
- Date of Repayment:** 4th July 2066
- Period:** 60 years.
- Interest Rate:** (a) 3.50% fixed per annum during the period from 4th July 2006 to, but excluding, 4th July 2008 and thereafter 4.78% 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 4.78% 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 [REDACTED] with the originals to follow by post.

Yours sincerely

[REDACTED]

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

[REDACTED]

Date

19/1/06

Print Name W. M. WILLIAMS

Position DEPUTY DIRECTOR FOR RESOURCES

For & on behalf of Wolverhampton City Council

Form of Loan Instrument

LOCAL AUTHORITY LOAN INSTRUMENT CERTIFICATE NUMBER 2005/3 (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: 16th January 2006.

DATE OF DRAWDOWN: 4th July 2006.

INTEREST: Interest on the Principal shall accrue at: -

- a) 3.50% per annum during the period from 4th July 2006 to, but excluding, 4th July 2008 and thereafter at 4.78% 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 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:

4th July 2066.

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 4.78% 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 19 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

LOBO14

COPY: change of holder to Eurohypo (Nov 06) (Posted back 15/11/06)

SCHEDULE 1.

[INSERT NAME OF COUNCIL] Wolverhampton City Council

LOAN INSTRUMENT NUMBER [] 8/2004 (2)

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.

EUROHYPO EUROPAISCHE HYPOTHEKENSANKASSA

REGISTERED HOLDER: [~~DEPFA ACS BANK~~]

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

PRINCIPAL REPAYMENT DATE(S): [10/4/2006]

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

INTEREST COMMENCEMENT DATE: [10/4/06]

INTEREST PAYMENT DATES: [10 April/10 October each year]

INTEREST RATE/METHOD OF CALCULATING INTEREST: [3.57% to 10/10/07 then 4.6%]

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.

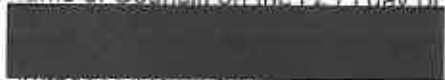
D This Loan Instrument is also subject to the terms and conditions of the letter from the Registered Holder addressed to the Council dated [insert date of letter] and in the event of any inconsistency or conflict between the terms of the letter and this Loan Instrument the letter will prevail.

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 -

Name or description of person to whom payments are due:	[DEPFA ACS BANK EUROPEE EUROPAISCHE WIRTSCHAFTSBANK SA]
Address of person to whom payments/repayments are due:	[1 COMMONS STREET, DUBLIN, IRELAND]
Amount of principal:	[£7,000,000]
Principal Repayment Date(s):	[10/4/2066]
Principal amount(s) to be repaid on [the] [each]	
Principal Repayment Date:	[£7,000,000]
Interest Payment Dates:	[10 th April/10 th October each year]
Interest amounts (or method of calculating the same) to be paid on each	
Interest Payment Date:	[3.37% to 10/10/07 then 4.6% Basis Actual/365]

EXECUTED on behalf of [insert name of Council] on the [27] day of [September] 2006

By: 
 Authorised Signatory
W M WILLIAMS
 Name of Authorised Signatory
DEPUTY DIRECTOR FOR RESOURCES
 Title of Authorised Signatory

LOBO 14

COPY
(copy posted back 27/9/06)
(+ fax'd back 29/9/06)

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

Attention of: Mike Williams
OUR REF: 252069DS

02/02/06

Local Authority Loan Confirmation of Restructuring a Loan

Dear Sir/Madam

We are pleased to confirm the Terms and Conditions of the Restructuring of the Loan Transaction (the "Loan") entered into between DEPFA ACS Bank (the "Bank") and Wolverhampton City Council ("the Borrower") which amends and replace in full the terms and conditions of the original loan entered into between the Bank and the Borrower on the 04 October 2004:

- Restructuring Date:** 26 January 2006
- Principal Amount:** GBP 7,000,000 (Seven million pounds)
- Purpose of Loan:** As hereinafter described
- Effective Date of TaC:** 10 April 2006
- Repayment Date:** Bullet repayment on the 10 April 2066
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 10 October 2007 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) **three** 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 10/04/06 up to and excluding the 10/10/07 and thereafter 4.60% from and including 10/10/07 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 10 October & 10 April commencing 10 October 2006, subject to the Adjusted Following Business Day Convention.
- Interest Calculation Basis:** Basis: Actual / 365F

- 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:** ICAP
- 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 it's 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:

- (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: Citibank London (CITIGB2L)
Sort code: 
A/C number: 
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.

Yours faithfully



Title: Managing Director
DEPFA ACS Bank



Title: Associate
DEPFA ACS Bank

Confirmed and accepted for and on behalf of
Wolverhampton City Council

By 
N. M. WILLIAMS

Date 27/9/06

Title/Signing Capacity DEPUTY DIRECTOR FOR RESOURCES

Additional Information Requested:

Borrower's Reference No.: LOBO14
(if any)

Purpose of Loan: to finance capital expenditure

Statutory Authority
for such purpose:
(attach copy) Loan Instrument 8/2004 (2)
Wolver City Council's Constitution (copy sent 15/12/04)

Borrower's Payment Details:
(Please provide details)

Bank : CO-OPERATIVE BANK PLC

Sort code : [REDACTED]

A/c name : WOLVERHAMPTON CITY COUNCIL

A/c no : [REDACTED]

Tax District: Wolverhampton 1

Tax Reference: [REDACTED]

Crown House
Birch Street
Wolverhampton

SCHEDULE 1.

 [INSERT NAME OF COUNCIL] *Wolverhampton City Council*

 LOAN INSTRUMENT NUMBER [] *8/2004 (2)*

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 ACS BANK*]
AMOUNT OF PRINCIPAL BORROWED: [*£7,000,000*]
PRINCIPAL REPAYMENT DATE(S): [*10/4/2006*]
AMOUNT(S) OF PRINCIPAL TO BE REPAYED ON PRINCIPAL REPAYMENT DATE(S): [*£7,000,000*]
INTEREST COMMENCEMENT DATE: [*10/4/06*]
INTEREST PAYMENT DATES: [*10 April/10 October each year*]
INTEREST RATE/ METHOD OF CALCULATING INTEREST: [*3.37% to 10/10/07 then 4.6%*]
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.

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 (2)

Name or description of person to whom payments are due: [DEPFA ACS BANK]

Address of person to whom payments/repayments are due: [1 COMMONS STREET, DUBLIN, IRELAND]

Amount of principal: [£7,000,000]

Principal Repayment Date(s): [10/10/2066]

Principal amount(s) to be repaid on [the] [each] Principal Repayment Date: [£7,000,000]

Interest Payment Dates: [10th April/10th October each year]

Interest amounts (or method of calculating the same) to be paid on each Interest Payment Date: [3.37% to 10/10/07 then 4.6% Basis Actual/365]

EXECUTED on behalf of [insert name of Council] on the [27] day of [September] 2006

By:


 Authorised Signatory

W.M. WILLIAMS

Name of Authorised Signatory

DEPUTY DIRECTOR FOR RESOURCES

Title of Authorised Signatory

17th January 2006Tel 020 7116 5021
Fax 020 7116 7636Mr Brian Bailey
Co-ordinating Director for Finance and Physical Resources
Wolverhampton City Council,
Civic Centre, St Peter's 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 16th January 2006 with Wolverhampton City Council ("the Council"):

- Amount:** £7,000,000 (Seven Million Pounds)
- Date of Drawdown:** 13th April 2006
- Date of Repayment:** 13th April 2066
- Period:** 60 years.
- Interest Rate:** (a) 3.37% fixed per annum during the period from 13th April 2006 to, but excluding, 13th October 2007 and thereafter 4.58% 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 4.58% per annum occurring on 13th October 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 [REDACTED] with the originals to follow by post.

Yours sincerely

[REDACTED]

**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

[REDACTED]

Date 19/1/06

Print Name W. M. WILLIAMS Position DEPUTY DIRECTOR
FOR RESOURCES

For & on behalf of Wolverhampton City Council

Form of Loan Instrument

LOCAL AUTHORITY LOAN INSTRUMENT CERTIFICATE NUMBER 9/2004 (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: £7,000,000. (Seven Million Pounds).

DATE ACCEPTED: 16th January 2006.

DATE OF DRAWDOWN: 13th April 2006.

INTEREST: Interest on the Principal shall accrue at: -

- a) 3.37% per annum during the period from 13th April 2006 to, but excluding, 13th October 2007 and thereafter at 4.58% 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 April and 13th 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: 13th April 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 5.00pm 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 4.58% per annum occurring on 13th 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 13th October 2007 and each period of six months thereafter.

EXECUTED on behalf of Wolverhampton City Council on the 19 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



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

30th January 2006

Tel 020 7116 5021
Fax 020 7116 7636

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

www.barclays.com

Dear Mr Williams,

Barclays Bank PLC ("the Bank") has pleasure in confirming the following loan facility that was executed on 26th January 2006 with Wolverhampton City Council ("the Council"):

Amount: £2,000,000 (Two Million Pounds)

Date of Drawdown: 5th June 2006

Date of Repayment: 5th June 2066

Period: 60 years.

Interest Rate: (a) 3.12% fixed per annum during the period from 5th June 2006 to, but excluding, 5th December 2007 and thereafter 4.39% 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 4.39% per annum occurring on 5th 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 [REDACTED] 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 31/1/06

Print Name W.M.WILLIAMS

Position DEPUTY DIRECTOR FOR RESOURCES

For & on behalf of Wolverhampton City Council

Form of Loan Instrument

LOCAL AUTHORITY LOAN INSTRUMENT CERTIFICATE NUMBER 10/2004(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: £2,000,000. (Two Million Pounds).

DATE ACCEPTED: 26th January 2006.

DATE OF DRAWDOWN: 5th June 2006.

INTEREST: Interest on the Principal shall accrue at: -

- a) 3.12% per annum during the period from 5th June 2006 to, but excluding, 5th December 2007 and thereafter at 4.39% 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 5th June and 5th December 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:

5th June 2066.

AMOUNT OF REPAYMENT
OF PRINCIPAL:

£2,000,000. (Two 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 3.12% per annum to 4.39% per annum occurring on 5th 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 5th December 2007 and each period of three years thereafter.

EXECUTED on behalf of Wolverhampton City Council,

on the 31st 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



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

30th January 2006

Tel 020 7116 5021
Fax 020 7116 7636

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

www.barclays.com

Dear Mr Williams,

Barclays Bank PLC ("the Bank") has pleasure in confirming the following loan facility that was executed on 26th January 2006 with Wolverhampton City Council ("the Council"):

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

Date of Drawdown: 15th February 2006

Date of Repayment: 15th February 2066

Period: 60 years.

Interest Rate: (a) 3.15% fixed per annum during the period from 15th February 2006 to, but excluding, 15th August 2008 and thereafter 4.39% 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 4.39% 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 [REDACTED] with the originals to follow by post.

Yours sincerely

[REDACTED]

**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 [REDACTED]

Date 31/1/06

Print Name W M. WILLIAMS

Position DEPUTY DIRECTOR FOR RESOURCES

For & on behalf of Wolverhampton City Council

Form of Loan Instrument

LOCAL AUTHORITY LOAN INSTRUMENT CERTIFICATE NUMBER 2005/4 (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: 26th January 2006.

DATE OF DRAWDOWN: 15th February 2006.

INTEREST: Interest on the Principal shall accrue at: -

- a) 3.15% per annum during the period from 15th February 2006 to, but excluding, 15th August 2008 and thereafter at 4.39% 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 February and 15th August 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 February 2066.

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 3.15% per annum to 4.39% 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 5.00pm 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 August 2008 and each period of six months thereafter.

EXECUTED on behalf of Wolverhampton City Council,

on the3rd..... day ofJANUARY....., 2006.

By:



B. BAILEY
DIRECTOR FOR RESOURCES
AND SUPPORT

Name and Title of
Authorised Signatory



W. M. WILLIAMS
DEPUTY DIRECTOR
FOR RESOURCES

Name and Title of
Authorised Signatory



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

30th January 2006

Tel 020 7116 5021
Fax 020 7116 7636

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

www.barclays.com

Dear Mr Williams,

Barclays Bank PLC ("the Bank") has pleasure in confirming the following loan facility that was executed on 26th January 2006 with Wolverhampton City Council ("the Council"):

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

Date of Drawdown: 15th March 2006

Date of Repayment: 15th March 2066

Period: 60 years.

Interest Rate: (a) 3.15% fixed per annum during the period from 15th March 2006 to, but excluding, 15th September 2008 and thereafter 4.39% 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 4.39% 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 [REDACTED] with the originals to follow by post

Yours sincerely

[REDACTED]

**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

[REDACTED]

Date 31/1/06

Print Name W.M. WILLIAMS

Position DEPUTY DIRECTOR FOR RESOURCES

For & on behalf of Wolverhampton City Council

Form of Loan Instrument

LOCAL AUTHORITY LOAN INSTRUMENT CERTIFICATE NUMBER 2005/5 (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: 26th January 2006.

DATE OF DRAWDOWN: 15th March 2006.

INTEREST: Interest on the Principal shall accrue at: -

- a) 3.15% per annum during the period from 15th March 2006 to, but excluding, 15th September 2008 and thereafter at 4.39% 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 March and 15th 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:

15th March 2066.

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 3.15% per annum to 4.39% 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 5.00pm 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 September 2008 and each period of six months thereafter.

EXECUTED on behalf of Wolverhampton City Council,

on the 31st 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

