

**SCHEDULE 1**

**MIDLOTHIAN COUNCIL**

**LOAN INSTRUMENT NUMBER 703002**

Following the assignation of this loan the Midlothian Council ("the Council") acknowledges that, in connection with the provision of funds to the Council, payments and repayments are due from within the Council in accordance with this Loan instrument and all previous duties and obligations to the original Registered Holder, DEPFA Bank Plc, are void.

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Registered Holder:	Depfa ACS Bank
Amount of Principal Borrowed:	£5,000,000.00
Principal Repayment Date(s):	15 January 2049. In the event of a Change Event, the Borrower may repay the loan in full without penalty on the Interest Payment Date relevant to such Change Event.
Amount(s) of Principal to be Repaid On Principal Repayment Date(s):	£5,000,000.00
Interest Commencement Date:	15 January 2004
Interest Payment Dates:	15 January & 15 July, commencing 15 July 2004, subject to the Adjusted Following Business Day Convention.
Interest Rate:	Unless and until a Change Event occurs, 3.20% per annum payable semi-annually in arrears, from and including 15 January 2004 up to and excluding 15 January 2008 and thereafter 4.75% 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.
Change Event:	On any Interest Payment Date on or after 15 January 2008 the Bank may change the Interest Rate to a new interest rate by giving notice to the Borrower before 12.00 noon five 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 repay the Loan before 9.30am two Business Days before that Interest Payment Date.
Method of calculating Interest:	Actual/365

**Purpose of Loan:**

**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 original Registered Holder, DEPFA Bank Plc, addressed to the Council dated 13 January 2004 and in the event of any inconsistency or conflict between the terms of the letter and this Loan Instrument the letter will prevail.

**MIDLOTHIAN COUNCIL**

**CERTIFICATE OF PARTICULARS OF A LOAN**

This is to certify 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 703002 as referred to in the Register:-

Name or description of person To whom payments are due:	Depfa ACS Bank
Address of person to whom Payments/repayments are due:	International House, 3 Harbourmaster Place, I.F.S.C., Dublin 1
Amount of principal:	£5,000,000.00
Principal Repayment Date(s):	15 January 2049
Principal amount(s) to be repaid On the Principal Repayment Date:	£5,000,000.00
Interest Payment Dates:	15 January, 15 July
Interest amounts (or method of Calculating the same) to be paid On each Interest Payment Date:	Actual/365

EXECUTED on behalf of Midlothian Council on the 15<sup>th</sup> Day of October 2008.

By:

  
Authorised Signatory

**Ian Jackson**

Name of Authorised Signatory

**Director of Corporate Services**

Title of Authorised Signatory

# STOCK TRANSFER FORM

(Above this line for Registers only)

Certificate lodged with the Registrar

Consideration Money £

(For completion by the Registrar/Stock Exchange)

Name of Undertaking	Midlothian Council	
Description of Security	Loan instrument no 703002, 3.2% p.a. up to 15/01/2008, 4.65% p.a. thereafter, Final Maturity 15/01/2049	
Number or amount of Shares, Stock or other security and, in figures column only, number and denomination of units, if any.	Words Five Million Pounds Sterling	Figures 5000000 ( units of )
Name(s) of registered holder(s) should be given in full: the address should be given where there is only one holder.  If the transfer is not made by the registered holder(s) insert also the name(s) and capacity (e.g. Executor(s)), of the person(s) making the transfer.	In the name(s) of DEPFA ACS Bank 1 Commons Street Dublin 1 Ireland	
I/We hereby transfer the above security out of the name(s) aforesaid to the person(s) named below.		Stamp of Selling Broker(s) or, for transactions which are not stock exchange transactions, of Agent(s), if any, acting for the Transferor(s)
<p>Signature(s) of transferor(s)</p> <p>1. <i>Nigel Reynolds</i></p> <p>2. <i>John Ham</i></p> <p>3. ....</p> <p>4. ....</p> <p>A Body corporate should execute this transfer under its common seal or otherwise in accordance with applicable statutory requirements.</p>		<p>Date <i>05/12/11</i></p>
Full name(s), full postal address(es) (including County or, if applicable, Postal District number) of the person(s) to whom the security is transferred.	<p>FMS Wertmanagement AöR Prinzregentenstrasse 56 80538 Munich Germany</p>	
Please State title, if any, or whether Mr., Mrs or Miss.		
Please complete in type or in Block Capitals.		

I/We request that such entries be made in the register as are necessary to give effect to this transfer.

Stamp of Buying Broker(s) (if any).

Stamp or name and address of person lodging this form (if other than the Buying Broker(s)).

Reference to the Registrar in this form means the registrar or registration agent of the undertaking, not the Registrar of Companies at Companies House. (3/08)

FORM OF CERTIFICATE REQUIRED WHERE TRANSFER IS EXEMPT  
FROM *AD VALOREM* STAMP DUTY AS BELOW THRESHOLD.

(1) I/we certify that the transaction effected by this instrument does not form part of a larger transaction or series of transactions in respect of which the amount or value, or aggregate amount or value, of the consideration exceeds £1,000.

(1) I/we confirm that (1) I/we have been duly authorised by the transferor to sign this certificate and that the facts of the transaction are within (1) my/our knowledge(2).

(1) Delete as appropriate.

(2) Delete second sentence if certificate is given by transferor or his solicitor.

*Signature(s)*

*Description ("Transferor", "Solicitor", etc)*

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*Date*

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**Notes**

(1) If the above certificate has been completed, this transfer does not need to be submitted to the Stamp Office but should be sent directly to the Company or its Registrars.

(2) If the above certificate is not completed, this transfer must be submitted to the Stamp Office and duly stamped.

Registration Number: HRA 96076  
Authorised Representatives: Dr. Christian Bluhm  
Member of the Executive Board (*Vorstand*)  
Ernst-Albrecht Brockhaus  
Member of the Executive Board (*Vorstand*)  
Frank Hellwig  
General Manager (*Generalbevollmächtigter*)

Additional information can be found on FMS-WM's website at: [www.fms-wm.de](http://www.fms-wm.de).

Please note that DEPFA ACS BANK will continue to be your contact in relation to any matters arising out of or in connection with the Loan and we request that you send the New Loan Instrument (as defined in the DEPFA Letter) in our name to them as indicated in the DEPFA Letter.

However, please note that all repayments of the Loan and other payments to be made by you pursuant to the Loan should now be made to the account of FMS-WM, the details of which are set out in the DEPFA Letter.


FMS-WM obtained a Direction under Regulation 2 of the Double Taxation Relief (Taxes on Income) (General) Regulations 1970 (SI 1970 no. 488), as amended, from HM Revenue & Customs (the "Direction"). Under the Direction, HM Revenue & Customs ("HMRC") directed that the borrowers (whose details are supplied to HMRC by FMS-WM) make UK Source interest payments to FMS-WM without the deduction of UK income tax. The Direction took effect on 28 September 2010 (the date of the Direction), and expires on 30 September 2013. The details of the Loan and you (as the borrower) have been provided by FMS-WM to HMRC.

The Direction was provided to FMS-WM on the basis that it will advise all relevant borrowers of the Direction and will, when requested by a borrower, provide a copy of it to them. Therefore please treat this letter as the relevant advice to be given by FMS-WM to each borrower (as contemplated by the Direction). A copy of the Direction is attached for ease of reference.

We appreciate your assistance with the Transfer.

Yours faithfully

FMS Wertmanagement AöR



Dr. Peter Schad  
Chefsyndikus/General Counsel  
Legal/Compliance/Audit



Johannes Starke  
Syndikus/Legal Counsel  
Legal/Compliance/Audit