



DePfa-Bank Europe plc

Dept of Finance & IT,
County Hall
Carmarthen
Carmarthenshire
SA31 3NU

Attention of : Clive Evans

Date : 11.04.2001

International House
3, Harbourmaster Place
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Local Authority Loan Confirmation

Dear Sir/Madam

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

Trade Date: 10 April 2001 ✓

Principal Amount: GBP 3,000,000 (Three million sterling) ✓

Purpose of Loan: As hereinafter described ✓

Drawdown Date: 18 April 2001 ✓

Repayment Date: Bullet repayment on the 18th April 2026. ✓
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 or any Interest Payment date thereafter by giving written notice to the Bank three Business Days before that Interest Payment Date.

Change Event:

On any interest Payment Date on or after 18/04/04 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 12.30 (London time) two business day before that Interest Payment Date.

Interest Rate:

Unless and until a Change Event occurs, 4.72% per annum, payable semi-annually in arrears. 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:

18 April and 18 October each year, commencing 18 October 2001 subject to the Modified Following Business Day Convention.

Interest Calculation Basis:

Basis: Actual / 365 ✓

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:

Tradition Brokers

Loan Instrument:

The Borrower shall, as soon as practical after confirming this letter, issue a formal Loan Instrument in the form set out in Schedule 1 (unless we agree otherwise) which shall be governed by the Terms and Conditions of this letter. In the event of any conflict/inconsistency between this letter and the Loan Instrument this letter will prevail.

Events of Default/**Prepayment:**

The Bank shall be entitled (by notice in writing) to call in the loan if the Borrower: (a) fails to pay any sum due; (b) is in breach of any other obligation and has failed to remedy same within 30 days of being requested to do so; (c) is unable to pay its debts as they fall due; (d) enters into any composition with its creditors; (e) is dissolved; (f) is deprived of or ceases to exercise, own or be responsible for all or any material part of its powers, functions, duties, or assets; 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:	National Westminster Bank London
A/C number	0459 2174
Sort Code:	60-00-04
For A/c of:	DePfa-Bank Europe Plc

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,




Name:
Title: Director
DePfa Bank Europe Plc

DERMOT CAHILLANE
Managing Director



Name:
Title: Business Manager
DePfa Bank Europe Plc

Confirmed and accepted for and on behalf of
Carmarthenshire Council

By  Date

18th APRIL 2001

Title/Signing
Capacity

FOR ACTING DIRECTOR OF FINANCE