

LOAN AGREEMENT

between

DRESDNER BANK AG LONDON BRANCH

and

WEST DUNBARTONSHIRE COUNCIL

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LOAN AGREEMENT

between

DRESDNER BANK AG LONDON BRANCH of [REDACTED]
[REDACTED] (the "Bank") of the First Part; and

And

WEST DUNBARTONSHIRE COUNCIL constituted and established under the Local Government etc. (Scotland) Act 1994 whose address is [REDACTED] (the "Borrower") of the Second Part

CONSIDERING THAT the Bank has agreed to make available to the Borrower a Lender Option Borrower Option loan of up to £10,000,000 (the "Loan Agreement");

NOW THEREFORE IT IS AGREED as follows:-

AMOUNT OF PRINCIPAL: £10,000,000

DATE ADVANCED: 6th November 2001

INTEREST:

- (a) 4.40% per annum, with interest payable on 6th May and 6th November in each year (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 (or 366 days when the year includes 29th February). Interest will be calculated on the actual number of days elapsed in each interest period; or
- (b) the Bank has the right on 6th November 2005 and on any semi annual interest rate payment date thereafter, by means of notice five business days prior to the effective date, to alter the Interest (to a rate calculated

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by Bank) and, if notice is given, Condition 6 will apply.

DATE OF REPAYMENT OF PRINCIPAL: 6th November 2041

AMOUNT OF REPAYMENT OF PRINCIPAL: £10,000,000

CONDITIONS:

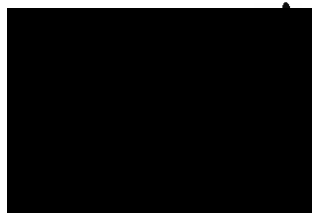
1. The amount advanced under this Loan Agreement is acknowledged to be a debt payable to the Bank by the Council.
2. Interest is payable from the date on of this Loan Agreement and shall be remitted in cleared funds on the dates specified in the above schedule to the Bank's nominated bank account.
3. The Council shall have no rights of set-off, counter-claims, retention, plea of compensation or deductions from payments in respect of the debt other than UK Taxes. The Council will at all times take all steps and make all such payments to the Banks 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.
4. Nothing herein shall prejudice the Bank's right of set-off or any other benefit which the Bank may enjoy. Failure by the Borrower to repay any part of the debt advanced under the terms of this Loan Agreement shall entitle the Bank to call for immediate repayment of all sums advanced hereunder together with all accrued interest and together with any broken funding and associated financing costs thereby incurred arising from the early termination of the funding and associated financing arrangements for this loan.
5. The debt advanced under the terms of this Loan Agreement will be secured by the Council by a mortgage in the form of the Schedule to this Loan Agreement (the "Mortgage").
6. Sums due under this Loan Agreement are repayable by remittance of cleared funds to the Bank'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 Bank 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 Bank no later than 9.30 a.m. one business day prior to the relevant effective date. The amount payable to repay

**Schedule
Form of Mortgage**

In consideration of the sum of £10,000,000 (the receipt of which is hereby acknowledged) we, West Dunbartonshire Council of Garshake Road, Dumbarton, G82 3PU by virtue of the Local Government (Scotland) Act 1975 do hereby bind and oblige the Council out of the funds, rates and revenues of the Council to pay to Dresdner Bank AG London Branch of Riverbank House, 2 Swan Lane, London EC4R 3UX (hereinafter known as the mortgagee) the said sum of £10,000,000 on the 6th day of November 2041 and also to pay interest on the said sum at the rate of 4.40% per annum (or such other rate as the mortgagee may specify by notice in writing to the Council from time to time) half yearly on 6th May and 6th November in each year; and in security of the said sum of £10,000,000 and interest thereon as above we the Council hereby assign to the mortgagee and its successors and assignees such proportion of the said funds, rates and revenues for the time being of the Council as the said sum bears or will bear to the whole sum which is or will be charged on the said revenue with interest thereon; and we consent to the registration hereof for preservation and execution.

Dated the day of two thousand and one and

Signed for and on behalf of the Council.



Proper Officer

Witness

Date: 5th November 2001

No. in the Register



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sums due under this Loan Agreement 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 Bank will be issued no later than 12.00 a.m. three business days prior to the effective date.

7. The Borrower warrants and confirms that its execution and performance of this Loan Agreement and the Mortgage comply with Schedule 3 of the Local Government (Scotland) Act 1975 and undertakes to register the Mortgage in accordance with The Local Authority Mortgages (Scotland) Regulations 1975.
8. The debt acknowledged by this Loan Agreement is fully transferable (by assignation, assignment or transfer or otherwise at the Bank's discretion) by the Bank without the consent of the Borrower and the Borrower undertakes to register any transfer of the Mortgage.
9. The Borrower and the Bank consent to registration of this Loan Agreement for preservation and execution.

IN WITNESS WHEREOF these presents typewritten on this and the preceding two pages together with the Schedule annexed hereto are executed on this and the following page as follows:-

Subscribed for and on behalf of
WEST DUNBARTONSHIRE COUNCIL

at

on *5th November 2001*

by

before this witness:

/ Proper Officer

.. Witness

.. Full name

.. Address

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SUBSCRIBED for and on behalf of
DRESDNER BANK AG LONDON BRANCH

at

on

by Authorised signatory

and Authorised signatory

