



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

12th July 2007

Tel 020 7116 9080
Fax 020 7116 7632

Mr Derek Whitte^t
Senior Accountant, Corporate Services Finance Division,
Angus Council, Angus House,
Orchard Bank Business Park, Forfar
DD8 1AF

www.barclays.com

Dear Mr Whitte,

1. Barclays Bank PLC ("the Bank") has pleasure in offering Angus Council ("the Council") (constituted by virtue of the Local Government (Scotland) Act 1973 and the Local Government etc. (Scotland) Act 1994 the following loan facility (the "Loan"): -

Amount of Loan: - £5,000,000 (Five Million Pounds)

Date of Acceptance: - 11th July 2007

Date of Drawdown: - 13th July 2007

Date of Repayment of Loan: - 13th July 2077

Amount of Repayment of Loan: - £5,000,000 (Five Million Pounds)

2. Interest: - Interest on the Loan shall accrue at 4.25% per annum or (if the Bank notifies the Council not less than two Business Days prior to any Lender's Option Date) at the rate so notified with effect from such Lender's Option Date, interest being payable in arrear on 13th July and 13th 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.

3. Conditions:
 - (a) Prior to the Loan being made available, the Council shall execute and deliver a bond certificate in respect of the Loan in terms of the Local Authority Stocks and Bonds (Scotland) Regulations 1975 (or any amendment, variation or replacement thereof).
 - (b) Prior to the Loan being made available, the Council shall deliver certified copies of appropriate documents (e.g. Council minutes, Standing Orders) evidencing the power of the signatory to this letter and to the bond certificate to execute such documents on behalf of the Council.

- (c) Interest on the Loan is payable from the date of drawdown, shall accrue from day to day and shall be calculated on the basis of a year of 365 days (or on such other day count basis as the Bank considers is consistent with the then applicable market practice) and the actual number of days elapsed.
- (d) Payment default of any part of the Loan or accrued interest thereon shall entitle the Bank to demand immediate repayment of the Loan together with all interest then accrued and any amount payable pursuant to condition (e) below whereupon on making such demand such sums shall become immediately due.
- (e) The Council acknowledges that the Bank has agreed the rate of interest on the basis that the Loan will be outstanding until the earlier of the date specified in paragraph 1 of this letter (the "Specified Date") for repayment of the Loan and the date of any repayment made on a Lender's Option Date in accordance with condition (h) below and if:
 - (i) the Loan is repaid by the Council other than (i) on the Specified Date or (ii) on a Lender's Option Date in accordance with condition (h) below; or
 - (ii) the full amount of the loan is not drawn on the drawdown date for any reason (excluding any default by the Bank); or
 - (iii) the Bank makes a demand for repayment pursuant to condition (d) above,

the Council will pay to the Bank on demand the Breakage Cost and any broken funding costs.

"Breakage Cost" shall be the amount determined by the Bank as: its loss associated with the Loan or proposed Loan, as the case may be. This loss will be the amount that the Bank would need to pay to another financial institution selected by it as consideration for an agreement by that financial institution to make the fixed interest payments to the Bank that it would otherwise have been entitled to receive from the Council under the Loan if the Loan had been outstanding until the Specified Date in exchange for receiving LIBOR flat from the Bank in accordance with the same payment profile, on the same terms and including the same features as the Loan (including the rights of the Bank with respect thereto).

- (f) All payments required to be made by the Council hereunder shall be calculated without reference to any set-off, retention or counterclaim and shall be made free and clear of and without any

deduction for or on account of any set-off, retention or counterclaim and shall be remitted in cleared funds on the due dates to the Bank's nominated bank account.

- (g) The debt acknowledged by this letter and relative Bond Certificate is fully transferable in whole or in part by the Bank 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 letter and relative Bond Certificate, the Council will issue a Bond Certificate to the Bank for the debt under this letter and relative Bond Certificate as reduced by the amount transferred and will issue a new Bond Certificate to the transferee on the same terms set out in this letter and relative Bond Certificate for an amount equal to the debt transferred by the Bank. 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 Bank with any relevant documentation within the time period imposed by the statute, practice or otherwise.
- (h) If the Bank 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 Bank prior written notice to that effect by no later than 5.00pm on the Business Day preceding such proposed increase, prepay the Loan on the date of such proposed increase, together with accrued interest thereon to the day of prepayment.
- (i) The Council may also, if it has given to the Bank prior written notice to that effect by no later than 5.00pm on the Business Day preceding the proposed day of prepayment, prepay the Loan on the next interest payment date, together with (i) accrued interest thereon to the date of prepayment and (ii) any amount payable pursuant to condition (e) above.
- (j) The Council shall not be entitled to prepay the Loan except at the times and in the manner expressly provided in this letter.

4. Definitions: In this letter, 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 letter.

"Lender's Option Date" means 13th July 2008 and thereafter, the last Business Day of each successive period of four years.

Please indicate your acceptance of this offer, and that you will provide a signed bond certificate in respect of the Loan by signing and returning a copy of this letter by fax (020 7116 7632) with the original to follow by post, whereupon the above terms shall be binding upon the Council. Your acceptance of this letter shall constitute a warranty that the Loan and any documentation evidencing the same (i) comply with all applicable laws and regulations (including, without limitation, the Local Government (Scotland) Act 1975); (ii) will not cause the Borrower to be in breach of any borrowing limit binding on it or cause any breach of its by-laws or other constitutive documents or any agreement or other arrangement with any other party; and (iii) represent valid, legally binding and enforceable obligations of the Council.

Yours sincerely,

**For & on behalf of
Barclays Bank PLC**

- (a) On behalf of Angus Council, I confirm acceptance of a loan, the terms of which shall be in accordance with this letter.
- (b) On behalf of Angus Council, I confirm that the Council has executed and duly registered a bond certificate in respect of such loan.

Signature I. Horner

Date 12/7/07

Print Name Ian Horner

Position Head of Finance

Proper Officer, for & on behalf of Angus Council

**CORPORATE SERVICES**

Director: Colin McMahon

FinanceAngus House
Orchardbank Business Park
Forfar DD8 1AF

DX 530678 Forfar

T: (01307) 476222

F: (01307) 476216

E: finance@angus.gov.uk

ANGUS COUNCIL

LOAN INSTRUMENT NUMBER 500007

Angus 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	Barclays Bank Plc
Amount of principal borrowed	£5,000,000.00
Date of Drawdown	13 July 2007
Principal repayment date	13 July 2077, or at the option of the Council, on the relevant interest payment date following the occurrence of an increase in interest rate on a Lender's Option Date.
Amount of principal to be repaid on principal repayment date	£5,000,000.00
Interest payment dates	13 July and 13 January each year
Interest rate/method of calculating	The rate of interest is 4.25% per annum with an option on each successive period of four years from the Lender's Option Date of 13 July 2008. The Lender has the option to change the interest rate upon two business days notice at each Lender's Option Date, payable half yearly, calculated actual/365.



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ANGUS COUNCIL ("the Council")
Certificate of particulars of a loan

The Council is acting within the powers conferred on it by Section 69 of the Local Government (Scotland) Act 1973 and Section 1b and Schedule 3 of the Local Government (Scotland) Act 1975.

- A. The amount of principal borrowed is repayable by the Council to the Registered Holder in the amount and on the principal repayment date 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 written in accordance with the Stock Transfer Act 1963 delivered to the Council and the Council shall acknowledge and register any such transfer.

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 500007 as referred to in the Register:-

Name or description of Person To whom payments are due:	Barclays Bank Plc
Address of person to whom Payments/repayments are due:	Local Authority Unit, 27 th Floor, 1 Churchill Place, London, E14 5HP
Amount of principal	£5,000,000.00
Principal Repayment Date:	13 July 2077, or at the option of the Council, on the relevant interest payment date following the occurrence of an increase in interest rate on a Lender's Option Date.



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Principal amount to be repaid
on the Principal repayment date: £5,000,000.00

Interest Payment Dates: 13 July and 13 January each year.

Interest amounts/method The rate of interest is 4.25% per annum with an option on each successive period of four years from the Lender's Option Date of 13 July 2008. The Lender has the option to change the interest rate upon two business days notice at each Lender's Option Date, payable half yearly, calculated actual/365.

The term loan instrument and bond certificate shall have the same meaning.

EXECUTED on behalf of Angus Council on 13 day of July 2007.

By: I. Horner
Authorised Signatory (Signature)

Ian Horner
Authorised Signatory (Print Name)

HEAD OF FINANCE

Title of Authorised Signatory