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29 June 2016

Mr A McPhee
Executive Director of Finance & Corporate Support
East Ayrshire Council
Council Headquarters
London Road
Kilmarnock
KA3 7BU

Dear Mr McPhee

Loan Offer Letter dated 14 October 2004

We refer to the loan made available to you under the terms of a letter dated 14 October 2004 (the "Facility Letter") and bond certificate number 605 dated 15 October 2004 (the "Bond").

1. WAIVER OF RIGHTS

1.1 We hereby confirm that:

1.1.1 we shall not, at any time after the date of this letter, exercise our right to increase the interest rate on any Lender's Option Date.

1.1.2 For the avoidance of doubt, the waiver by us of our rights specified in paragraph 1.1.1 above is not retrospective and any previously agreed or specified interest rate shall remain in effect notwithstanding paragraph 1.1.1 above.

2. TRANSFERS

We hereby agree that we shall not transfer or assign all or any of our rights under the Facility Letter or the Bond without ensuring that the transferee or assignee provides a letter of waiver in your favour in substantially the same form as this letter provided that references to "us" "we" and "our" in such a letter shall be references to such transferee or assignee.

3. ONGOING RIGHTS

Save as expressly waived hereunder, we do not waive any of our rights under the Facility Letter or the Bond and each of the Facility Letter and the Bond shall remain in full force and effect.

4. GOVERNING LAW AND JURISDICTION

4.1 This letter and all non-contractual or other matters or obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, Scots law.

- 4.2 The courts of Scotland shall have exclusive jurisdiction to settle any dispute arising from or in connection with this letter including a dispute regarding the existence or validity of this letter or relating to any non-contractual or other obligation or matter arising out of or in connection with this letter or the consequences of its nullity.

5. **INTERPRETATION**

- 5.1 In this letter, a reference to:

- 5.1.1 any statutory provision or statute includes all modifications thereto and all re-enactments (with or without modification) thereof and all subordinate legislation made thereunder, in each case for the time being in force, except where the context requires otherwise;
- 5.1.2 a person includes a reference to that person's legal personal representatives and successors or to a body corporate, association or partnership; and
- 5.1.3 a clause, paragraph or schedule, unless the context otherwise requires, is a reference to a clause or a paragraph of or a schedule to this letter .

- 5.2 The headings in this letter do not affect its interpretation.

- 5.3 Unless otherwise stated in this letter, any term defined in the Facility Letter (or by reference therein) shall have the same meaning in this letter.

Yours sincerely



Alex Brown
Managing Director
Head of Education, Social Housing and Local Authorities

For and on behalf of
Barclays Bank PLC