

Kent County Council
Investments & Treasury Management
Sessions House
County Hall
Maidstone
Kent ME14 1XQ



Tel: +44 1 622 673 806
Fax: +44 1 622 673 806

Attention of: Jeff Hall

DEPFA BANK plc Reference: 243854DE

09/02/05

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 plc (the "Bank") and Kent County Council ("the Borrower") as follows:

Trade Date: 17 November 2005

Principal Amount: GBP 20,000,000 (Twenty Million Pounds)

Purpose of Loan: As hereinafter described

Drawdown Date: 25 April 2006

Repayment Date: Bullet repayment on the 25 April 2066
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.

Change Event: On 25/04/11 and every five years thereafter (the "Change Event Date") 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 the relevant Change Event Date. The Borrower shall notify the bank of its acceptance of the new rate or of its intention to prepay the Loan before 12.00 (London time) two business days before the relevant Change Event Date.

Interest Rate: Unless and until a Change Event occurs 3.70% per annum, payable semi-annually in arrears from and including 25/04/06 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.

Interest Payment Dates: Semi-annual on the 25 April & 25 October commencing 25 October 2006, subject to the Adjusted Modified Following Business Day Convention.

Interest Calculation Basis: Basis: Actual / 365F

DEPFA BANK plc
1 Commons Street
Dublin 1, Ireland
Phone +353 1 792-2222
Fax +353 1 792-2211
www.depfa.com

Company Secretary:
Noel Kavanagh
Registered in Ireland
Company no. 348819
VAT no. IE6368819N

Board of Directors: G. Bruckermann, Dr. R. Brantner,
Dr. R. Grzesik, Prof. Dr. A. Hemmelrath,
Dr. T. M. Kolbeck, H. W. Reich,
Prof. Dr. Dr. h.c. mult. H. Tietmeyer (all German),
J. Poos (Lux), D. M. Cahillane, M. O'Connell,
Prof. Dr. F. Ruane (all Irish)

- Status and Security:** The Borrower's obligations in respect of the Loan will be secured by a Statutory charge under Section 13 (3) of the Local Government Act 2003 (which amends and supersedes 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:** Prebon
- 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; (for the avoidance of doubt the disposal by the borrower of it's housing in the terms disclosed to the Lender prior to the Drawdown date shall not constitute an event of default) 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.

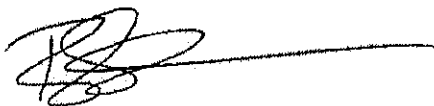
Please note that all payments to the Bank in respect of the Loan should be made as follows:

| | | |
|------------|---------|----------------------------------|
| GBP | Pay to: | National Westminster Bank London |
| | Sort | |
| | Code: | 60-00-04 (NWBKGB2L) |
| | A/c of: | DEPFA Bank plc (DPFAIE2D) |
| | A/c no: | 0459 2174 |

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.

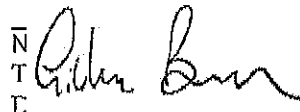
Gillian Byrne

Yours faithfully,



Barry Stoneham
 Managing Director
 DEPFA BANK Plc

N
T
E



Confirmed and accepted for and on behalf of
 Kent County Council

By NPA. Vela Date 16/2/06

Title/Signing Capacity Head of Financial Services

Additional Information Requested:

Borrower's Reference No.: 24021
(if any)

Purpose of Loan: CAPITAL FINANCING

Statutory Authority
for such purpose:
(attach copy) LOCAL GOVERNMENT ACT 2003

Borrower's Payment Details:
(Please provide details)

Bank : NAT WEST 3 HIGH ST. MAIDSTONE
Sort code : 60-60-08
A/c name : KCC GENERAL
A/c no : 00100013

Tax District:

Tax Reference:

SCHEDULE 1.

[INSERT NAME OF COUNCIL]

LOAN INSTRUMENT NUMBER []

The Kent County 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: [*DEPFA BANK*]

AMOUNT OF PRINCIPAL BORROWED: [*€20,000,000*]

PRINCIPAL REPAYMENT DATE(S): [*25/04/2056*]

AMOUNT(S) OF PRINCIPAL TO BE REPAYED ON PRINCIPAL REPAYMENT DATE(S): [*€20,000,000*]

INTEREST COMMENCEMENT DATE: [*25/04/2006*]

INTEREST PAYMENT DATES: [*25/04 25/10*]

INTEREST RATE/
METHOD OF CALCULATING INTEREST: [*ACTUAL/365F*]

PURPOSE OF LOAN: [*CAPITAL FINANCING*]

- 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 Registered Holder addressed to the Council dated [insert date of letter] and in the event of any inconsistency or conflict between the terms of the letter and this Loan Instrument the letter will prevail.

| | | |
|---|--------------------------------------|--|
| [] ("the Council") Certificate of particulars of a loan | | |
| This is to certify pursuant to regulation 9(7) of the Local Authorities (Borrowing) Regulations 1990 (as amended) 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 [] as referred to in the Register:- | | |
| Name or description of person to whom payments are due: | [<i>DEPFA BANK</i>] | |
| Address of person to whom payments/repayments are due: | [<i>1 COMMONS ST. DUBLIN E1RE</i>] | |
| Amount of principal: | [<i>€ 20,000,000</i>] | |
| Principal Repayment Date(s): | [<i>25/10/2050</i>] | |
| Principal amount(s) to be repaid on [the] [each] | [<i>€ 20,000,000</i>] | |
| Principal Repayment Date: | [<i>25/4 25/10</i>] | |
| Interest Payment Dates: | [<i>25/4 25/10</i>] | |
| Interest amounts (or method of calculating the same) to be paid on each Interest Payment Date: | [<i>ACTUAL / 365F</i>] | |

EXECUTED on behalf of [Insert name of Council] on the [16] day of [FEB] 2006

By: *NPA Vickers*
 Authorised Signatory

NPA VICKERS
 Name of Authorised Signatory

Head of Financial Services
 Title of Authorised Signatory

24026 Rev. 24005



Public Finance Bank

Strategic Director (Resources)
Kent County Council
Sessions House
County Hall
Maidstone
ME14 1XQ

03 November 2006

Attention: Mr N Vickers

Dear Sir,

Re: Transaction via: Garban Intercapital plc

We write to confirm details of the rescheduled loan arranged today:

Old Condition

| | |
|-----------------------------|--|
| Borrower: | Kent County Council |
| Amount: | £15,000,000 (Fifteen Million Pounds) |
| Loan Start Date: | 25 March 2004 |
| Period: | 29 Years |
| Repayment: | 25 March 2033 |
| Interest Rate: | 3.85% pa until 25 March 2008 and 4.99% pa thereafter |
| Interest Payable on: | 25 September, 25 March semi annually. |

Accrued Interest Payable: 25 March 2007 £287,958.90

New Condition:

| | |
|-----------------------------|--|
| Borrower: | Kent County Council |
| Amount: | £15,000,000 (Fifteen Million Pounds) |
| Loan Start Date: | 26 March 2007* |
| Period: | 58 Years |
| Repayment: | 25 March 2065 |
| Interest Rate: | 4.31% pa until 25 March 2012 and 4.31% pa thereafter <u>subject to (b) below.</u> |
| Interest Payable on: | 25 September, 25 March semi annually. |

- a. 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. When applicable the 29th February is an interest-bearing day. Interest will be calculated on the actual number of days elapsed in each interest period.

- b. The Registered Holder has the right on 25 March 2012**, (and on any anniversary of such date falling at one yearly periods thereafter) (each an 'effective date') by means of notice to Kent County Council to be delivered no later than 11.00am four business days prior to the relevant effective date, to alter the interest (to a rate determined by the Registered Holder) and, if notice is given the rate of interest will change to the rate so notified, but subject to the conditions set out in clause 8 of the Loan Instrument.
- c. Breakage costs and associated funding costs, if applicable, will be due in the event of early termination other than in accordance with clause 8 mentioned above.

(* Note the 25th March 2007 is a Sunday, therefore will be 26th March 2007)

(**Note the 25th March 2012 is a Sunday, therefore will be 26th March 2012)

Date of First Payment: 25 September 2007
Amount of First Payment: £324,135.62
Security/Documentation: Loan Instrument in the form appended. (Original for execution to follow by post)

Your Bank Details: Bank: National Westminster Bank plc
Sort Code: 60-60-08 A/C Number: 00100013

Our Bank Details: Bank: Citibank NA, Citigroup Centre, Canary Wharf, London
Sort Code: 18 50 08 A/c Number: 08553475

The address and facsimile number for each party for all notices under or in connection with this Loan are as set out below or any other notified by that party for this purpose to the other party by not less than five business days notice:

The Registered Holder: Dexia Credit Local - London Branch
4 Battle Bridge Lane
London SE1 2RB
Fax: +44 20 7378 7188
Attention: Justin Wyatt - Senior Manager - Operations

The Borrower: Kent County Council
Address: Sessions House
County Hall
Maidstone ME14 1XQ
Fax: 01622 673806
Attention: Mr N Vickers



Please confirm by return to fax No 020 7378 7188 your concurrence that the above loan details as set out above are correct. When replying please also confirm that the details we currently hold for (1) (2) and (3) below remain unchanged:

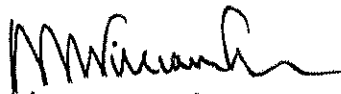
- (1) a list of those persons authorised to "deal" on behalf of the authority;
- (2) a copy of the Standing Order relating to the execution of loan instruments
- (3) specimen signatures of those persons authorised a) to deal and b) to sign loan instruments on behalf of the Council
- (4) a copy of our Loan Instrument duly completed.

Upon receipt of the original signed Loan Instrument we shall return the existing Loan Instrument in our possession for cancellation on the rescheduled loan start date.

As agreed via Garban Intercapital plc there will be no exchange of funds, except accrued interest of £287,958.90, however, please ensure we receive this confirmation duly signed by an authorised person together with (4) by 12.00 Noon on the rescheduled loan start date.

Yours faithfully
For and on Behalf of
Dexia Credit Local - London Branch

Date:
Agreed for and on behalf of
Kent County Council



.....
Authorised Signatories



.....
Authorised Signatory

Please note that all telephone conversations are taped as per the Inter-Professional Conduct rules.

LOAN INSTRUMENT NO.

Kent County Council acknowledge the receipt of the loan on the terms specified in the Schedule below and subject to the Conditions endorsed in this certificate.

THE SCHEDULE

REGISTERED HOLDER: Dexla Credit Local – London Branch
AMOUNT OF PRINCIPAL: £15,000,000 (Fifteen Million Pounds)
DATE ACCEPTED: 03 November 2006 DATE OF DRAWDOWN 25 March 2007

INTEREST:

(a) 4.31% per annum from 25 March 2007 until 25 March 2012 and thereafter at 4.31% per annum, with interest payable on 25 September and 25 March.

(b) The Registered Holder has the right on the 25 March 2012 (and on any anniversary of such date falling at one yearly periods thereafter), (each an 'effective date') by means of notice to Kent County Council to be delivered no later than 11.00am four business days prior to the relevant effective date, to alter the interest (to a rate determined by the Registered Holder) and, if notice is given the rate of interest will change to the rate so notified but Clause 8 below will apply.

(c) In the event that any such interest payment date or any other payment date or interest rate change date falls on either a weekend or a Bank Holiday any such 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. When applicable the 29th February is an interest-bearing day. Interest will be calculated on the actual number of days elapsed in each interest period.

DATE OF REPAYMENT OF PRINCIPAL: 25 March 2065
AMOUNT OF REPAYMENT OF PRINCIPAL: £15,000,000 (Fifteen Million Pounds)

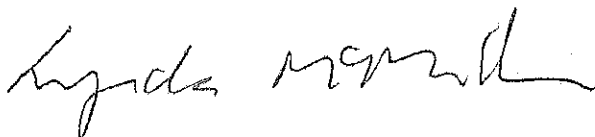
CONDITIONS:

1. The amount of this Loan Instrument is acknowledged to be a debt payable to the Registered Holder by Kent County Council
2. Interest is payable from the date of drawdown on the face of this Loan Instrument and shall be remitted in cleared funds on the dates specified in the above schedule to the Registered Holder's nominated bank account.
3. Payment default of any part of the debt under this Loan Instrument shall entitle the Registered Holder to call for immediate repayment of the amount of Principal together with all interest accrued and together with any broken funding costs and associated financing costs thereby incurred.
4. Kent County Council shall have no rights of set-off, counter-claims or deductions from payments in respect of the debt.
5. Nothing herein shall prejudice the Registered Holder's right of set-off or any other benefit which the Registered Holder may enjoy.
6. The debt acknowledged by this Instrument is fully transferable by the Registered Holder by an instrument in writing in accordance with the Stock Transfer Act 1983 delivered to the Registrar of Loan Instruments of Kent County Council, who shall acknowledge and register any such transfer.
7. This Loan Instrument is redeemable by remittance of cleared funds to the Registered Holder's nominated bank account on the date specified for repayment in the above schedule or on the date for prepayment in accordance with Clause 8 below.
8. If the Registered Holder exercised the right to alter the interest then Kent County 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 Registered Holder at the office specified from time to time from Kent County Council no later than 11.00am two business days prior to the relevant effective date. The amount payable to redeem this Loan Instrument on any date other than the date of Repayment of Principal or a date in which interest is altered is the Principal and all accrued interest thereon together with all broken funding and associated financing costs (if any) incurred by the Registered Holder (on such date) arising from early termination of the funding and associated financing arrangements for this loan.

Duly executed on behalf of Kent County Council in accordance with *Standing Order No[.....] / Financial Regulation No[.....].

Examined by:

Director of Finance and Registrar of Loan Instruments



24027 REP 24006.



Public Finance Bank

Strategic Director (Resources)
Kent County Council
Sessions House
County Hall
Maidstone
ME14 1XQ

03 November 2006

Attention: Mr N Vickers

Dear Sir,

Re: Transaction via: Garban Intercapital plc

We write to confirm details of the rescheduled loan arranged today:

Old Condition

Borrower: Kent County Council
Amount: £25,000,000 (Twenty Five Million Pounds)
Loan Start Date: 25 March 2004
Period: 30 Years
Repayment: 27 March 2034
Interest Rate: 3.85% pa until 25 March 2008 and 4.99% pa thereafter
Interest Payable on: 25 September, 25 March semi annually.

Accrued Interest Payable: 25 March 2007 £479,931.51

New Condition:

Borrower: Kent County Council
Amount: £25,000,000 (Twenty Five Million Pounds)
Loan Start Date: 26 March 2007 *
Period: 58 Years
Repayment: 25 March 2065
Interest Rate: 4.34% pa until 25 March 2012 and 4.34% pa thereafter
Interest Payable on: subject to (b) below.
25 September, 25 March semi annually.

- a. 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. When applicable the 29th February is an interest-bearing day. Interest will be calculated on the actual number of days elapsed in each interest period.

LOAN INSTRUMENT NO.

Kent County Council acknowledge the receipt of the loan on the terms specified in the Schedule below and subject to the Conditions endorsed in this certificate.

THE SCHEDULE

REGISTERED HOLDER: Dexia Credit Local – London Branch
AMOUNT OF PRINCIPAL: £25,000,000 (Twenty Five Million Pounds)
DATE ACCEPTED: 03 November 2006 DATE OF DRAWDOWN 25 March 2007

INTEREST:

(a) 4.34% per annum from 25 March 2007 until 25 March 2012 and thereafter at 4.34% per annum, with interest payable on 25 September and 25 March.

(b) The Registered Holder has the right on the 25 March 2012 (and on any anniversary of such date falling at one yearly periods thereafter), (each an 'effective date') by means of notice to Kent County Council to be delivered no later than 11.00am four business days prior to the relevant effective date, to alter the interest (to a rate determined by the Registered Holder) and, if notice is given the rate of interest will change to the rate so notified but Clause 8 below will apply.

(c) In the event that any such interest payment date or any other payment date or interest rate change date falls on either a weekend or a Bank Holiday any such 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. When applicable the 29th February is an interest-bearing day. Interest will be calculated on the actual number of days elapsed in each interest period.

DATE OF REPAYMENT OF PRINCIPAL: 25 March 2065
AMOUNT OF REPAYMENT OF PRINCIPAL: £25,000,000 (Twenty Five Million Pounds)

CONDITIONS:

1. The amount of this Loan Instrument is acknowledged to be a debt payable to the Registered Holder by Kent County Council
2. Interest is payable from the date of drawdown on the face of this Loan Instrument and shall be remitted in cleared funds on the dates specified in the above schedule to the Registered Holder's nominated bank account.
3. Payment default of any part of the debt under this Loan Instrument shall entitle the Registered Holder to call for immediate repayment of the amount of Principal together with all interest accrued and together with any broken funding costs and associated financing costs thereby incurred.
4. Kent County Council shall have no rights of set-off, counter-claims or deductions from payments in respect of the debt.
5. Nothing herein shall prejudice the Registered Holder's right of set-off or any other benefit which the Registered Holder may enjoy.
6. The debt acknowledged by this Instrument is fully transferable by the Registered Holder by an instrument in writing in accordance with the Stock Transfer Act 1963 delivered to the Registrar of Loan Instruments of Kent County Council, who shall acknowledge and register any such transfer.
7. This Loan Instrument is redeemable by remittance of cleared funds to the Registered Holder's nominated bank account on the date specified for repayment in the above schedule or on the date for prepayment in accordance with Clause 8 below.
8. If the Registered Holder exercised the right to alter the interest then Kent County 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 Registered Holder at the office specified from time to time from Kent County Council no later than 11.00am two business days prior to the relevant effective date. The amount payable to redeem this Loan Instrument on any date other than the date of Repayment of Principal or a date in which interest is altered is the Principal and all accrued interest thereon together with all broken funding and associated financing costs (if any) incurred by the Registered Holder (on such date) arising from early termination of the funding and associated financing arrangements for this loan.

Duly executed on behalf of Kent County Council in accordance with *Standing Order No[....] / Financial Regulation No[....].

Examined by:

Director of Finance and Registrar of Loan Instruments



- b. The Registered Holder has the right on 25 March 2012**, (and on any anniversary of such date falling at one yearly periods thereafter) (each an 'effective date') by means of notice to Kent County Council to be delivered no later than 11.00am four business days prior to the relevant effective date, to alter the interest (to a rate determined by the Registered Holder) and, if notice is given the rate of interest will change to the rate so notified, but subject to the conditions set out in clause 8 of the Loan Instrument.
- c. Breakage costs and associated funding costs, if applicable, will be due in the event of early termination other than in accordance with clause 8 mentioned above.

(* Note the 25th March 2007 is a Sunday, therefore will be 26th March 2007)

(**Note the 25th March 2012 is a Sunday, therefore will be 26th March 2012)

Date of First Payment: 25 September 2007
Amount of First Payment: £543,986.30
Security/Documentation: Loan Instrument in the form appended. (Original for execution to follow by post)

Your Bank Details: Bank: National Westminster Bank plc
Sort Code: 60-60-08 A/C Number: 00100013

Our Bank Details: Bank: Citibank NA, Citigroup Centre, Canary Wharf, London
Sort Code: 18 50 08 A/c Number: 08553475

The address and facsimile number for each party for all notices under or in connection with this Loan are as set out below or any other notified by that party for this purpose to the other party by not less than five business days notice:

The Registered Holder: Dexia Credit Local - London Branch
4 Battle Bridge Lane
London SE1 2RB
Fax: +44 20 7378 7188
Attention: Justin Wyatt - Senior Manager - Operations

The Borrower: Kent County Council
Address: Sessions House
County Hall
Maidstone ME14 1XQ
Fax: 01622 673806
Attention: Mr N Vickers



Please confirm by return to fax No 020 7378 7188 your concurrence that the above loan details as set out above are correct. When replying please also confirm that the details we currently hold for (1) (2) and (3) below remain unchanged:

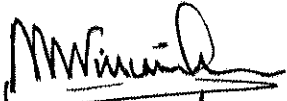
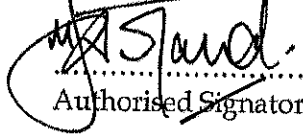
- (1) a list of those persons authorised to "deal" on behalf of the authority;
- (2) a copy of the Standing Order relating to the execution of loan instruments
- (3) specimen signatures of those persons authorised a) to deal and b) to sign loan instruments on behalf of the Council
- (4) a copy of our Loan Instrument duly completed.


Upon receipt of the original signed Loan Instrument we shall return the existing Loan Instrument in our possession for cancellation on the rescheduled loan start date.

As agreed via Garban Intercapital plc there will be no exchange of funds, except accrued interest of £479,931.51, however, please ensure we receive this confirmation duly signed by an authorised person together with (4) by 12.00 Noon on the rescheduled loan start date.

Yours faithfully
For and on Behalf of
Dexia Credit Local - London Branch

Date:
Agreed for and on behalf of
Kent County Council



.....
Authorised Signatories


.....
Authorised Signatory

Please note that all telephone conversations are taped as per the Inter-Professional Conduct rules.

24029 REP. 24007



Strategic Director (Resources)
Kent County Council
Sessions House
County Hall
Maidstone
ME14 1XQ

03 November 2006

Attention: Mr N Vickers

Dear Sir,

Re: Transaction via: Garban Intercapital plc

We write to confirm details of the rescheduled loan arranged today:

Old Condition

Borrower: Kent County Council
Amount: £10,000,000 (Ten Million Pounds)
Loan Start Date: 20 April 2004
Period: 29 Years
Repayment: 20 April 2033
Interest Rate: 3.85% pa until 21 April 2008 and 4.99% pa thereafter
Interest Payable on: 20 October, 20 April semi annually.

Accrued Interest Payable: 20 April 2007 £191,972.60

New Condition:

Borrower: Kent County Council
Amount: £10,000,000 (Ten Million Pounds)
Loan Start Date: 20 April 2007
Period: 58 Years
Repayment: 20 April 2065
Interest Rate: 4.30% pa until 20 April 2011 and 4.30% pa thereafter subject to (b) below.
Interest Payable on: 20 October, 20 April semi annually.

- a. 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. When applicable the 29th February is an interest-bearing day. Interest will be calculated on the actual number of days elapsed in each interest period.

- b. The Registered Holder has the right on 20 April 2011, (and on any anniversary of such date falling at two yearly periods thereafter) (each an 'effective date') by means of notice to Kent County Council to be delivered no later than 11.00am four business days prior to the relevant effective date, to alter the interest (to a rate determined by the Registered Holder) and, if notice is given the rate of interest will change to the rate so notified, but subject to the conditions set out in clause 8 of the Loan Instrument.
- c. Breakage costs and associated funding costs, if applicable, will be due in the event of early termination other than in accordance with clause 8 mentioned above.

Date of First Payment: 22 October 2007
Amount of First Payment: £217,945.21
Security/Documentation: Loan Instrument in the form appended. (Original for execution to follow by post)

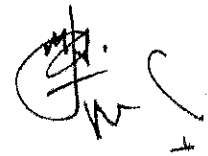
Your Bank Details: Bank: National Westminster Bank plc
Sort Code: 60-60-08 A/C Number: 00100013

Our Bank Details: Bank: Citibank NA, Citigroup Centre, Canary Wharf, London
Sort Code: 18 50 08 A/c Number: 08553475

The address and facsimile number for each party for all notices under or in connection with this Loan are as set out below or any other notified by that party for this purpose to the other party by not less than five business days notice:

The Registered Holder: Dexia Credit Local - London Branch
4 Battle Bridge Lane
London SE1 2RB
Fax: +44 20 7378 7188
Attention: Justin Wyatt - Senior Manager - Operations

The Borrower: Kent County Council
Address: Sessions House
County Hall
Maidstone ME14 1XQ
Fax: 01622 673806
Attention: Mr N Vickers



LOAN INSTRUMENT NO.

Kent County Council acknowledge the receipt of the loan on the terms specified in the Schedule below and subject to the Conditions endorsed in this certificate.

THE SCHEDULE

REGISTERED HOLDER: Dexla Credit Local – London Branch
AMOUNT OF PRINCIPAL: £10,000,000 (Ten Million Pounds)
DATE ACCEPTED: 03 November 2006 DATE OF DRAWDOWN 20 April 2007

INTEREST:

(a) 4.30% per annum from 20 April 2007 until 20 April 2011 and thereafter at 4.30% per annum, with interest payable on 20 October and 20 April.

(b) The Registered Holder has the right on the 20 April 2011 (and on any anniversary of such date falling at two yearly periods thereafter), (each an 'effective date') by means of notice to Kent County Council to be delivered no later than 11.00am four business days prior to the relevant effective date, to alter the interest (to a rate determined by the Registered Holder) and, if notice is given the rate of interest will change to the rate so notified but Clause 8 below will apply.

(c) In the event that any such interest payment date or any other payment date or interest rate change date falls on either a weekend or a Bank Holiday any such 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. When applicable the 29th February is an interest-bearing day. Interest will be calculated on the actual number of days elapsed in each interest period.

DATE OF REPAYMENT OF PRINCIPAL: 20 April 2065
AMOUNT OF REPAYMENT OF PRINCIPAL: £10,000,000 (Ten Million Pounds)

CONDITIONS:

1. The amount of this Loan Instrument is acknowledged to be a debt payable to the Registered Holder by Kent County Council
2. Interest is payable from the date of drawdown on the face of this Loan Instrument and shall be remitted in cleared funds on the dates specified in the above schedule to the Registered Holder's nominated bank account.
3. Payment default of any part of the debt under this Loan Instrument shall entitle the Registered Holder to call for immediate repayment of the amount of Principal together with all interest accrued and together with any broken funding costs and associated financing costs thereby incurred.
4. Kent County Council shall have no rights of set-off, counter-claims or deductions from payments in respect of the debt.
5. Nothing herein shall prejudice the Registered Holder's right of set-off or any other benefit which the Registered Holder may enjoy.
6. The debt acknowledged by this Instrument is fully transferable by the Registered Holder by an instrument in writing in accordance with the Stock Transfer Act 1963 delivered to the Registrar of Loan Instruments of Kent County Council, who shall acknowledge and register any such transfer.
7. This Loan Instrument is redeemable by remittance of cleared funds to the Registered Holder's nominated bank account on the date specified for repayment in the above schedule or on the date for prepayment in accordance with Clause 8 below.
8. If the Registered Holder exercised the right to alter the interest then Kent County 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 Registered Holder at the office specified from time to time from Kent County Council no later than 11.00am two business days prior to the relevant effective date. The amount payable to redeem this Loan Instrument on any date other than the date of Repayment of Principal or a date in which interest is altered is the Principal and all accrued interest thereon together with all broken funding and associated financing costs (if any) incurred by the Registered Holder (on such date) arising from early termination of the funding and associated financing arrangements for this loan.

Duly executed on behalf of Kent County Council in accordance with *Standing Order No[.....] / Financial Regulation No[.....].

Examined by:

Director of Finance and Registrar of Loan Instruments





To: Mr N Vickers
Kent County Council

Your Fax No.: 01622 673806

From: Joanna Riley
Assistant Manager - Operations

Our Fax No: 020 7378 7188

Date: 03 September 2008

Number of pages (including this page):

In case of difficulty, please ring 020 7378 7757

Please find enclosed the documentation for the £20,000,000 Loan.

Should you have any further questions, please do not hesitate to call.

Regards.

Joanna Riley



Strategic Director (Resources)
Kent County Council
Sessions House
County Hall
Maidstone
ME14 1XQ

01 September 2008

Attention: Mr N Vickers

Dear Sir,

Re: Transaction via: Martin Brokers (UK) plc

We write to confirm details of the loan arranged today:

| | |
|----------------------|---|
| Borrower: | Kent County Council |
| Amount: | £20,000,000 (Twenty Million Pounds) |
| Loan Start Date: | 16 February 2009 |
| Period: | 60 Years |
| Repayment: | 18 February 2069 |
| Interest Rate: | 4.15%pa until 16 February 2017 and 4.15% pa thereafter, <u>Subject to (b) below.</u> |
| Interest Payable on: | 16 August, 16 February semi annually. |

- 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. When applicable the 29th February is an interest-bearing day. Interest will be calculated on the actual number of days elapsed in each interest period.
- The Registered Holder has the right on 16 February 2017 (and on any anniversary of such date falling at five yearly periods thereafter), (each an 'effective date') by means of notice to Kent County Council to be delivered no later than 11.00am four business days prior to the relevant effective date, to alter the interest (to a rate determined by the Registered Holder) and, if notice is given the rate of interest will change to the rate so notified, but subject to the conditions set out in clause 8 of the Loan Instrument.
- Breakage costs and associated funding costs, if applicable, will be due and payable both before (if drawdown does not occur as envisaged) and after drawdown.

| | |
|--------------------------|---|
| Date of First Payment: | 17 August 2009 |
| Amount of First Payment: | £413,863.01 |
| Security/Documentation: | Loan Instrument <u>in the form appended.</u> (Original for execution to follow by post) |

Dexia Public Finance Bank
Shackleton House
4 Battle Bridge Lane
LONDON
SE1 2RB - UK

Tel: +44 (0)20 7378 7157
Fax: +44 (0)20 7378 7188
www.dexia.com
www.uk-dexia.com

Trade name of Dexia Crédit Local
Incorporated in France with
limited liability - registered in
England & Wales Reg No: 985713

Your Bank Details: Bank: National Westminster Bank plc
Sort Code: 60-60-08 A/c Number: 00100013

Our Bank Details: Bank: Citibank NA, Citigroup Centre, Canary Wharf, London
Sort Code: 18-50-08 A/c Number: 08553475

The address and facsimile number for each party for all notices under or in connection with this Loan are as set out below or any other notified by that party for this purpose to the other party by not less than five business days notice:

The Registered Holder: Dexia Credit Local - London Branch
Shackleton House
4 Battle Bridge Lane
London SE1 2RB
London SE1 2RB
020 7378 7188
Fax: Justin Wyatt - Senior Manager - Operations
Attention:

The Borrower: Kent County Council
Address: Sessions House
County Hall
Maidstone
ME14 1XQ
Fax: 01622 673806
Attention: Mr N Vickers

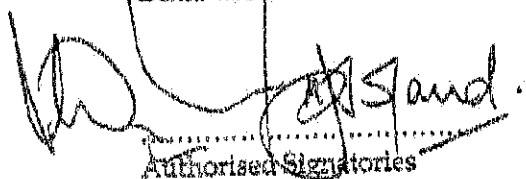
Please confirm by return to fax No 020 7378 7188 your concurrence that the above loan details as set out above are correct. When replying please confirm that the details we hold for (1), (2) and (3) below remain unchanged:

- (1) a list of those persons authorised to "deal" on behalf of the authority;
- (2) a copy of the Standing Order relating to the execution of loan instruments
- (3) specimen signatures of those persons authorised a) to deal and b) to sign loan instruments on behalf of the Council
- (4) a copy of our Loan Instrument duly completed.

Please note that we shall be unable to disburse funds unless this confirmation and the copy of our Loan Instrument have been received by ourselves duly signed by an authorised person by 12.00 Noon on the loan start date.

Yours faithfully
For and on Behalf of
Dexia Credit Local - London Branch

Date:
Agreed for and on behalf of
Kent County Council


Authorised Signatories

.....
Authorised Signatory

Please note that all telephone conversations are taped as per the Inter-Professional Conduct rules.

LOAN INSTRUMENT NO.

Kent County Council acknowledge the receipt of the loan on the terms specified in the Schedule below and subject to the Conditions endorsed in this certificate.

THE SCHEDULE

REGISTERED HOLDER: Dexia Credit Local - London Branch
AMOUNT OF PRINCIPAL: £20,000,000 (Twenty Million Pounds)
DATE ACCEPTED: 01 September 2008 DATE OF DRAWDOWN: 16 February 2009

INTEREST:

(a) 4.15% per annum from 16 February 2009 until 16 February 2017 and thereafter at 4.15% per annum, with interest payable on 16 August and 16 February.

(b) The Registered Holder has the right on the 16 February 2017 (and on any anniversary of such date falling at five yearly periods thereafter), (each an 'effective date') by means of notice to Kent County Council to be delivered no later than 11.00am four business days prior to the relevant effective date, to alter the interest (to a rate determined by the Registered Holder) and, if notice is given the rate of interest will change to the rate so notified but Clause 8 below will apply.

(c) In the event that any such interest payment date or any other payment date or interest rate change date falls on either a weekend or a Bank Holiday any such 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. When applicable the 29th February is an interest-bearing day. Interest will be calculated on the actual number of days elapsed in each interest period.

DATE OF REPAYMENT OF PRINCIPAL: 16 February 2069
AMOUNT OF REPAYMENT OF PRINCIPAL: £20,000,000 (Twenty Million Pounds)

CONDITIONS:

1. The amount of this Loan Instrument is acknowledged to be a debt payable to the Registered Holder by Kent County Council
2. Interest is payable from the date of drawdown on the face of this Loan Instrument and shall be remitted in cleared funds on the dates specified in the above schedule to the Registered Holder's nominated bank account.
3. Payment default or any part of the debt under this Loan Instrument shall entitle the Registered Holder to call for immediate repayment of the amount of Principal together with all interest accrued and together with any broken funding costs and associated financing costs thereby incurred.
4. Kent County Council shall have no rights of set-off, counter-claims or deductions from payments in respect of the debt.
5. Nothing herein shall prejudice the Registered Holder's right of set-off or any other benefit which the Registered Holder may enjoy.
6. The debt acknowledged by this Instrument is fully transferable by the Registered Holder by an Instrument in writing in accordance with the Stock Transfer Act 1963 delivered to the Registrar of Loan Instruments of Kent County Council, who shall acknowledge and register any such transfer.
7. This Loan Instrument is redeemable by remittance of cleared funds to the Registered Holder's nominated bank account on the date specified for repayment in the above schedule or on the date for prepayment in accordance with Clause 8 below.
8. If the Registered Holder exercised the right to alter the interest then Kent County 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 Registered Holder at the office specified from time to time from Kent County Council no later than 11.00am two business days prior to the relevant effective date. The amount payable to redeem this Loan Instrument on any date other than the date of Repayment of Principal or a date in which interest is altered is the Principal and all accrued interest thereon together with all broken funding and associated financing costs (if any) incurred by the Registered Holder (on such date) arising from early termination of the funding and associated financing arrangements for this loan.

Duly executed on behalf of Kent County Council in accordance with *Standing Order No[.....] / Financial Regulation No[.....].

Examined by.

Director of Finance and Registrar of Loan Instruments

