

# NORTHUMBERLAND

## COUNTY COUNCIL

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Telephone: (01670) 533000 • Fax: (01670) 533124 • [www.northumberland.gov.uk](http://www.northumberland.gov.uk)

Director of Finance – Steven Mason FCCA

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### Northumberland County Council

#### **LOAN INSTRUMENT NO: 200708-1**

Northumberland County Council (the "**Council**") acknowledges 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:	Dresdner Bank AG London Branch
AMOUNT OF PRINCIPAL:	£40,000,000 (Forty million Pounds)
ADVANCE DATE:	15 June, 2007
INTEREST:	(a) 4.20% per annum payable on 15 June and 15 December in each year on an adjusted modified following basis, the first Coupon Date being 15 December, 2007 and final Coupon Date being 15 June, 2077. In the event that such interest payment date falls on a day which is not a London business day, the interest payment date will be on the next London business day unless that day is in the following month in which case it shall be the preceding London business day). Interest to be computed on a 365 days in a year basis (or 366 days in respect of a leap year). Interest will be calculated on the actual number of days



elapsed in each interest period;

(b) the Registered Holder has the right on 15 June 2008 and on every interest payment date thereafter, by means of notice to the Council no less than three London business days prior to the effective date, to alter the Interest (to a rate calculated by Registered Holder) and, if notice is given, Condition 6 will apply.

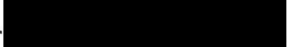
DATE OF REPAYMENT OF PRINCIPAL: 15 June 2077  
AMOUNT OF REPAYMENT OF PRINCIPAL: £40,000,000 (Forty Million Pounds)

**CONDITIONS:**

1. The amount of this Loan Instrument is acknowledged to be a debt payable to the Registered Holder by the Council.
2. Interest is payable from the Advance Date specified in the above Schedule and shall be remitted in cleared funds on the dates specified in the above Schedule to the Registered Holder's nominated bank account.
3. All amounts payable by the Borrower to the Registered Holder shall be paid without set-off and free and clear of, and without withholding or deduction for, any taxes or duties of whatsoever nature imposed, levied, collected, withheld or assessed by any authority having power to tax, unless the withholding or deduction of such taxes or duties is required by UK law.
4. Nothing herein shall prejudice the Registered Holder's right of set-off or any other benefit which the Registered Holder may enjoy.
5. The debt acknowledged by this Loan 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 the Council, who shall acknowledge and register any such transfer.

6. 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 and, save as mentioned below in this paragraph, not on any earlier date. If the Registered Holder 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 Registered Holder no later than 5.00 p.m. on the London business day prior to the date on which the Interest is due to be altered. The amount payable to redeem this Loan Instrument on 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 Registered Holder will be issued no later than 12.00 noon three London business days prior to the date on which it is altered.


This Loan Instrument is in compliance with the Local Government Act 2003.

By:..........

Name: STEVEN P MASON

Title: Director of Finance and Registrar of Loan Instruments

Registered by

Name:   
MR C CRESSY

Examined by:..........

Name: MRS W PEARSON

Date of Issue: 15/06/07