

LOAN INSTRUMENT NO.

Northumberland 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: £5,000,000.00 (Five Thousand Pounds)

DATE ACCEPTED: 30 July 2004

INTEREST:

(a) 4.12% per annum until 30 April 2007 and thereafter at 4.50% per annum, with initial interest payable on 29 October 2004 and then 30 April and 30 October (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 the 30 April 2007 (and on any subsequent semi annual interest payment date thereafter), (each an 'effective date') by means of notice to Northumberland 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.

DATE OF REPAYMENT OF PRINCIPAL: 30 July 2054 (together with interest for the period 30 April 2054 to 30 July 2054)

AMOUNT OF REPAYMENT OF PRINCIPAL: £5,000,000.00 (Five Thousand Pounds)

CONDITIONS:

1. The amount of this Loan Instrument is acknowledged to be a debt payable to the Registered Holder by Northumberland County Council.
2. Interest is payable from the acceptance date 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 thereby incurred.
4. Northumberland 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 Northumberland 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 Northumberland 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 from Northumberland 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 Northumberland County Council in accordance with *Standing Order No[.....] / Financial Regulation No[17].+ 18

Examined by: 

Director of Finance and Registrar of Loan Instruments

(1) + (3)

Name	Signature	Position
S. MASON		Director of Finance
Private Address:		
R. ASHMAN		Asst Director of Finance
Address:		
D. HUTCHINSON		Head of Internal Audit & Risk Management
Private Address:		
D. HAWKINS		Chief Accountant
Private Address:		
A. ELDON		CHIEF ACCOUNTANT
Private Address:		
B. MCKIE		CHIEF ACCOUNTANT
Private Address:		
C. LOGAN		Head of Financial Services
Private Address:		