

LOCAL GOVERNMENT (CONTRACTS) ACT 1997

THIS CERTIFICATE issued under section 3 of the Local Government (Contracts) Act 1997 (the "**1997 Act**") in respect of a Deed of Variation relating to investment under the Authority's Building Schools for the Future ("**BSF**") programme (the "**FDA Variation**") between the London Borough of Tower Hamlets (the **Authority**) and Sumitomo Mitsui Banking Corporation Europe Limited (**SMBC**) and TH Schools Limited Partnership. The FDA Variation amended and restated a funder direct agreement, dated 4 March 2005 (the "**Funder Direct Agreement**") between (1) the Authority, (2) SMBC (as "**Security Agent**" for the Senior Creditors) and (3) TH Schools Limited Partnership (the "**Contractor**") and relating, among other things, to a project agreement for the design, construction, financing and operation of accommodation at the Facilities (which expression shall have the meaning ascribed to in the Project Agreement, dated 28 June 2002 between (1) the Authority and (2) the Contractor, as amended and restated by an amendment and restatement agreement dated 17 December 2004 and as further amended by an amendment agreement dated 4 March 2005 (the "**Project Agreement**"). There is a Third Deed of Amendment and Restatement relating to investment under the Authority's BSF programme (the "**BSF Variation**") between the Authority and the Contractor which varies the Project Agreement.

1. PERIOD OF CONTRACT (SECTION 3(2)(A) OF THE 1997 ACT)

The Funder Direct Agreement operates for a period from the date of execution of the Funder Direct Agreement until the date on which all amounts which may be or become owing by the Contractor to the Senior Creditors under the Credit Agreement (as defined in the Funder Direct Agreement) have been irrevocably paid in full.

2. PURPOSE OF CONTRACT (SECTION 3(2)(B) OF THE 1997 ACT)

The purpose of the FDA Variation is to provide for:

- 2.1 the consent of the Security Trustee to the issue of this certificate under the 1997 Act in respect of the FDA Variation;
- 2.2 amendments to the FDA Variation in respect of the BSF works;
- 2.3 cancellation of deductions, facilities and warning notices in respect of the BSF project areas and schools on step out where the Authority is satisfied that the circumstances giving rise to the Security Trustee electing to exercise its rights have been remedied in full; and
- 2.4 cancellation of failures in respect of the BSF project areas.

[DN: To be updated as FDA Variation finalised.]

3. CONTRACT TYPE (SECTION 3(2)(C) OF THE 1997 ACT)

The Funder Direct Agreement falls within section 4(4) of the 1997 Act.

4. POWERS TO ENTER INTO THE CONTRACT (SECTION 3(2)(D) OF THE 1997 ACT)

The Authority has power to enter into the FDA Variation and the statutory provisions conferring the powers are sections 13(1) and 14(1) of the Education Act 1996, section 22(1) of the Schools Standards and Framework Act 1998, section 1(2) of the 1997 Act, section 2 of the Local Government Act 2000 in so far as the FDA Variation promotes or improves the economic, social and environmental well-being of the Authority's area, section 122 and section 123 of the Local Government Act 1972 and in support of those powers section 111 of the Local Government Act 1972.

5. COPIES OF CERTIFICATE (SECTION 3(2)(E) OF THE 1997 ACT, REGULATIONS 3 AND 4 OF THE LOCAL AUTHORITIES (CONTRACTS) REGULATIONS 1997)

Copies of this Certificate are to be given to each of (1) the Security Agent, (2) Helaba Landesbank Hessen-Thuringen (3) the Contractor and to (4) the monitoring officer of the Authority and (5) the auditor of the Authority.

6. MATTERS TO BE DEALT WITH IN THE CERTIFICATE (SECTION 3(2)(F) OF THE 1997 ACT, REGULATION 6 OF THE LOCAL AUTHORITIES (CONTRACTS) REGULATIONS 1997)

The FDA Variation is structured (together with the Project Agreement and BSF Variation) so as to assist the Authority to discharge its relevant obligations in its capacity as local authority as set out in the Education Acts (as defined in section 578 of the Education Act 1996) and the School Standards and Framework Act 1998.

7. REQUIREMENTS WITH RESPECT TO ISSUE OF CERTIFICATE (SECTION 3(2)(G) OF THE 1997 ACT)

The Authority has complied or will comply with all requirements imposed by regulations with respect of certificates issued under Section 3(2) of the 1997 Act.

8. CONSENT OF OTHER PARTIES TO CONTRACT (SECTION 3(4) OF THE 1997 ACT)

The Security Agent, the Authority and the Contractor are the only other parties to the FDA Variation and hereby consented to the issue of this Certificate (by clause [] of the FDA Variation).

Signature (section 3(3) of the 1997 Act, Regulation 7 of the Local Authorities (Contracts) Regulations 1997)

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Signature:..... Dated:

Full Name:

Position: ...

Copies to:

The Security Agent

Helaba Landesbank Hessen-Thuringen

The Contractor

The Monitoring Officer of the Authority

The Auditor of the Authority