

Gregg Latchams

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COPY

The Trustees of the Priory Gate SSAS
c/o 3 The Pastures
Garrett Close
Dunsbale
LU6 3EG

15 February 2012

Dear Sirs

Transfer of Carlton House 42-44 West Street Dunstable LU6 1TA

Further to my recent telephone conversation with Simon Carlin, I am writing to confirm to you various matters regarding your instructions to the firm. I enclose in duplicate our standard terms of business which you should also read through please.

I have enclosed duplicate copies of this letter and the terms of business. Please fill in the blanks and sign one copy of this letter and one copy of the terms of business and return them to me. Please retain the other copies for your records.

1. Scope of instructions

You have instructed me on behalf of the trustees of the Priory Gate SSAS in connection with a purchase of Carlton House, 42-44 West Street, Dunstable.

The property will partly be purchased by the pension fund from Priory Gate Limited for a cash sum to be agreed. The transfer of the property will also partly be an in specie transfer by the company to the pension fund. An in specie transfer is the transfer of an asset in settlement of a debt agreed between the pension fund and the employer company.

The trustees have instructed me to deal with the formalities of transferring the property and registering it at the Land Registry in the name of the SSAS. You have not instructed me to give a report on title or carry out any property searches or make any enquiries of the current owner about the property. I cannot therefore take any responsibility for any matters that would be revealed by the usual searches or investigations.

I will however need to check the title of the property to make sure that it can be transferred and registered at the Land Registry without any issue.

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Ordinarily I would owe a duty of care to the trustees to do a full investigation into the property to confirm that there is nothing onerous affecting the property that could affect the value of the property. The independent valuation that was carried out at the property is £280,000.00 and this figure is based on a series of assumptions about the property. The assumptions are set out in the valuation report. Some of the main ones are that the property does not suffer from subsidence, contaminated land issues, the existence of asbestos and has all necessary planning and building regulation consents for the proposed use. Normally, it would be my job to carry out property searches to check that all these assumptions were correct so that there was no adverse impact on the valuation.

If you do not want me to carry out these searches, then it is on the strict understanding between us that I cannot accept any responsibility for there being any issues with the assumptions in the valuation or the use and enjoyment of the property.

To give you an idea of what searches we could carry out, I have attached a schedule giving you some brief advice on the various property searches and the fees that are charged to us by the search providers.

If the long-term intention is for the property to be redeveloped by the pension fund then it would be wise to do a full title investigation and set of searches at this stage to flesh out any potential problems with redevelopment (such as historic land contamination). If the pension fund ever intends to borrow against the property then any bank would require a full title investigation being carried out. If you would like me to do a full title investigation, please let me know.

I anticipate that this transaction will take between 4-6 weeks. I will advise during the course of the transaction if the time frame changes although that may become apparent to you as we progress.

An estimate of our fees is set out in section 4 below.

Having considered your instructions and the potential costs involved, I believe that the steps we have discussed and which are outlined above are a sensible approach to this matter.

I am not qualified to advise on any potential tax consequences of this transaction and I am assuming that you will be seeking the guidance of a specialist accountant, if appropriate, before proceeding.

2. Responsibility for work

I am a Solicitor in the firm and shall have day to day conduct of your matter. If you are unable for any reason to make contact with me on the telephone, please speak to my secretary Joe Clayton who will be pleased to try to assist or take a message for you. I may also be assisted, if I am away from my desk, in this matter by my colleague, who is another solicitor in the commercial property team. I will introduce you to them at the appropriate time if they become involved. The office's opening hours are from 9.00 am to 5.30 pm Monday to Friday.

The partner with ultimate responsibility for this matter is Richard Hill. The firm aims to offer all our clients an effective service and I am confident we shall do so in this case. However, should there be any aspect of our service with which you are unhappy and which you cannot resolve with me or Richard, you may raise the matter with our client care partner, John Dalby, who will discuss the matter with you. If the problem cannot be resolved satisfactorily with him he will inform you of our procedure for handling complaints.

I have outlined above our approach to these issues. I really would encourage you to note that we are committed to providing a high quality service and if you are in any way unhappy with the service or about our bill, please ring me direct. I will aim to resolve any issues speedily and directly with you if I possibly can.

3. Reporting

I will keep you informed on a regular basis of all major developments in this matter and will send you copies of relevant correspondence and documents. In relation to ongoing matters I will in any event report to you at least once every month.

By signing and returning a copy of this letter you will be signifying your consent that we may correspond with you via your email address notified to us and that such email communications may include confidential material relating to this matter. We will also assume that you are checking your emails at least daily.

Further information regarding the security of non-encrypted emails is included at paragraph 10.4 of the enclosed terms of business, so please read this section carefully before confirming your agreement.

4. Fees

The firm's charges will be calculated mainly by reference to the time spent by me in dealing with this matter. My current hourly charge out rate (not including VAT) is £160.00 per hour.

I anticipate this transaction will take about 5 hours of my time and our fees for acting for you in this matter will be approximately £750.00 plus VAT. We will also charge as an additional fee items such as sending funds to you by Bank telegraphic transfer which is currently £25 plus VAT. We will also charge as an additional fee the sum of £75 plus VAT for any Stamp Duty Land Tax return that we need to prepare and submit on your behalf (please see section 9 below).

In terms of disbursements, the Land Registry fee for registering the lease will be £280. We will need to carry out some pre-completion searches costing around £10.

The firm's policy is to bill clients regularly during any matter and I trust that monthly bills will meet with your approval. We also find that this helps our clients with budgeting and cash flow and not to receive any surprises as to fees towards the end of a transaction.

5. Payments on account

The firm reserves the right to render interim bills to clients at regular intervals and to require payments on account of costs to be incurred and disbursements made from time to time. All the firm's accounts should be settled upon delivery and if all or part of an invoice remains unpaid for more than a month, we reserve the right to charge interest on the outstanding amount at the rate applicable to judgement debts (currently 8%) or at the rate of 3% above Royal Bank of Scotland's base rate, whichever is higher from time to time.

6. Funds held on your behalf

Any monies received on your behalf will be held in our client account with the Royal Bank of Scotland. Subject to certain minimum amounts (at present £20) and periods of time set out in the Solicitors' Accounts Rules 1998, we will pay you interest calculated according to the rate set by the relevant bank from time to time. The period for which interest will be paid will normally run from the date on which the funds are received by us until the date of issue of any cheque from our client account.

We will not be liable for any loss of money due to banking failure.

The £50,000 Financial Services Compensation Scheme (FSCS) limit applies to your client funds, and so if you hold other personal monies in the same bank account, the limit remains £50,000 in total.

Some deposit taking institutions have several brands, i.e. where the same institution is trading under different names. You should check either with your bank, the FSA or a financial adviser for more information if you have any concerns about this.

If we make a claim under the FSCS in respect of money on your behalf, we will, subject to your consent, need to give certain information to the FSCS to help them identify you and amounts to which you are entitled in client accounts.

7. Professional indemnity insurance

The firm carries professional indemnity insurance cover for claims up to a maximum of £5 million. Please note therefore that the firm's liability to you in respect of any claim would be limited to that sum. This limitation of the firm's liability, and various other such limitations, are set out in the enclosed terms of business (particularly paragraph 4.1). If you wish to discuss any additional insurance cover with me please feel free to do so but by signing and returning a copy of this letter you will be signifying your consent to such limitation of liability.

8. Identification evidence

Already held on file.

9. Stamp duty land tax

You will need to take financial advice on whether stamp duty land tax will be payable on this transaction. I am happy to discuss this directly with your accountant if you would like to put them in touch with me.

If the transaction requires a Stamp Duty Land Tax Return there is certain information which must be contained within that return.

Please provide us with your National Insurance number and confirm your date of birth below.

.....
National Insurance number	Date of birth

.....
National Insurance number	Date of birth

10. Contact details

Please supply contact telephone number and email address:

.....

11. Additional services we can offer you

You will receive by email an invitation to join Law Donut which is a legal resource website offered by us to our clients. Law Donut has a large library of help and advice on legal matters and issues which includes a monthly e-newsletter, all of which we believe will be an excellent free resource for you. Your email data will be used for the purpose of emailing the invitation to you. If you do not wish to sign up then you need take no further action after receiving the invitation as the service operates by you joining as a subscriber. Your email data will remain confidential. If you do not wish us to send the invitation to you, please advise us when returning this engagement letter. In the absence of these instructions, the invitation will be sent automatically to you.

12. Confirmation

I am sorry to have to write to you at such length regarding these formal matters but I hope this letter clarifies the position for you. Could I please remind you to confirm your acceptance of these terms by signing and returning the additional copy of this letter which is enclosed.

To help move things forward I will be happy to accept e-mailed confirmation of your agreement to the terms of this letter and the terms of business while I await the return of the signed copies by post. Are you able to provide this confirmation by return e-mail? If so,

I will treat it as your authorisation for me to do the work described above on the terms set out.

I am very much looking forward to working with you towards a successful conclusion and I hope you will feel comfortable to be in touch with me if there are any issues or questions.

Yours sincerely

Ed Pitt
Solicitor
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I/We confirm my acceptance of the terms set out in the above letter and the separate standard terms of business.

Signed

Signed

Dated

Gregg Latchams

Solicitors & Notaries

Property searches

This is a non-exhaustive list of some of the most commonly used property searches carried out on behalf of clients and a guide as to their costs. Please note that the prices shown are merely estimates based on data available at the time of writing this report and may be subject to change.

Property searches are a necessary part of the due diligence procedure when a client is purchasing or taking a lease of a property or if the property is being mortgaged. This is because the searches may reveal adverse matters that may restrict the use and enjoyment of the property, or its marketability and value.

When an institutional lender is providing a mortgage and taking a charge over a property, the bank may require as part of its standard policy that all searches are carried out.

Ideally, all searches should be carried out on any transaction, but we understand that some clients may not wish to carry out a full set of searches in the interests of saving costs, or because the client does not see their relevant to the deal in question. If a client chooses not to carry out any searches, they do so fully assuming the risk that the property may be subject to adverse matters.

Index map search

£5*

An index map search confirms whether a property is registered at the Land Registry (and, if so, the title number(s) under which it is registered). If a property is not registered, an index map search will show whether the property is subject to any pending applications for registration or any cautions against first registration protecting any third parties.

* per title revealed, i.e. if a search of a plot of land reveals that the property is split into multiple different ownerships the search will cost £5 per title

Local land charges search and Local authority search

£150

A local authority search shows matters such as planning conditions, conservation area orders, compulsory purchase orders, tree preservation orders, planning enforcement notices and planning obligations (such as section 106 agreements) registered against a property by a local authority or statutory body. The search result provides a snapshot of the register on the date of the search and the search results do not give you any priority period. Local land charges registered after the date of the search will still bind a property.

The search also reveals important information about a property, such as the planning permissions affecting the property, whether or not the property is a listed building, building regulation approvals and completion certificates, proposals for road schemes and environmental and pollution notices. A local authority search only reveals matters that affect

the property being searched against. It will not disclose matters that affect neighbouring properties.

Drainage and water enquiries **£125**

Replies to drainage and water enquiries show information such as whether a property is connected to the mains water supply and mains drainage, the route and location of any public drains and sewers, on what basis usage is charged and whether any private sewers or drains are the subject of an adoption agreement. These matters are particularly important if you are planning on developing the property as you may require consents before being able to build over public sewers. The search offers no information about any private sewers or drains.

Environmental search **£215**

An environmental search is based on historical and local data and assesses the likelihood of a property being designated as 'contaminated land' under the Environmental Protection Act. If a local authority determines that land is contaminated, the current owner or occupier of the property may be required to pay for any necessary clean up costs or deal with the contamination. This can be the case whether or not the owner or occupier was the polluter. This can be an expensive process, so it is important to assess the risk of land being contaminated before committing to buy a property.

Coal mining search **£85**

A coal mining search provides details of past, present and future coal mining activity at a property. The search also indicates if there are mine shafts on the property and whether any mining activities may cause subsidence.

Chancel repair search **£18**

A chancel repair search shows whether the owner of a property may be liable to contribute towards the cost of repairs to the chancel of a parish church. This is a historical right that affects a small number of properties in England and Wales. We would advise you not to contact any parish churches directly in relation to chancel repair liability, as this may limit the availability of indemnity insurance.