

Davidson Chalmers LLP
12 Hope Street
EDINBURGH
EH2 4DB

Date 6 March 2013

Our Ref [REDACTED]/12730/[REDACTED]

Your Ref FAO [REDACTED]

Dear Sirs

0.183 HECTARES AT 154 McDONALD ROAD, EDINBURGH
KINGSFORD DEVELOPMENTS LIMITED

On behalf of and as authorised by the Seller, I hereby offer to sell the Property to the Purchaser, and that on the following terms and conditions:-

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In the Missives:

“Challenge” means any application for Judicial Review or any similar judicial or statutory challenge as may be introduced from time to time in terms of which a local authority’s decision to grant a planning consent may be questioned or challenged by a third party;

“Challenge Period” means a period of 12 weeks after the grant of a planning permission pursuant to purification of Clause 2.1.1 of this Offer by the relevant planning authority or by or on behalf of the Scottish Ministers (counting from the issue of a decision notice);

“Completion” means the Date of Entry or, if later, the date when the Price is paid and the purchase of the Property is completed in terms of the Missives;

“Conclusion Date” means the date of conclusion of the Missives;

“Date of Entry” means the first Working Day occurring three weeks after the date of purification or waiver of the last to be purified or waived of the suspensive conditions contained in Clause 2 (Suspensive Conditions) or such other date as the Seller and Purchaser may agree in writing with specific

Head of Legal, Risk and Compliance – Carol Campbell

If telephoning please call – [REDACTED], **Solicitor**, Tel: 0131-[REDACTED] Fax: [REDACTED]
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reference to the Missives;

“Disclosed Documents” means the documents listed in Part 1 of the Schedule;

“Disposition” means the disposition of the Property in favour of the Purchaser or Nominee Entity in terms of the draft set out in Part 2 of the Schedule;

“Interest” means the interest on the sum in question at 4% per annum above the base rate from time to time of The Royal Bank of Scotland plc from the date that such sum is due for payment or if there is no such date specified, the date of demand for such sum until such sum is paid;

“Letter of Obligation” means a Letter of Obligation from the Seller’s Solicitor in the form of the draft set out in Part 5 of the Schedule;

“Missives” means the contract constituted by this offer and all duly executed letters following on it;

“Nominee Entity” means such entity as is provided for in Clause 19.5;

“Plan” means the plan contained in Part 3 of the Schedule;

“Planning Agreement Sum” means any sum payable to the Local Authority as Planning Authority in terms of any Section 75 Agreement or Section 69 Agreement or any other sum paid to the Local Authority as Planning Authority in connection with the grant of planning/ listed building consent for the Proposed Development;

“Price” means FOUR HUNDRED AND EIGHTY FIVE THOUSAND POUNDS (£485,000) Sterling (on which, subject to Clause 4.1.4, no VAT is payable) under deduction of the Planning Agreement Sum;

“Property” means ALL and WHOLE those subjects comprising One hundred and eighty three decimal or one-thousandth parts of a hectare situated at the corner of McDonald Road and Broughton Road, Edinburgh, in the County of Midlothian together with the building erected thereon forming One hundred and fifty four McDonald Road, Edinburgh, being the property outlined red on the Plan; Together with a right of pedestrian and vehicular access to the subjects and egress from the subjects from and to McDonald Road and together also with all other rights as same are described in the Disposition;

“Proposed Development” means either (i) the residential development of the Property to comprise seventy four studio apartments with communal office, dining, laundry, storage, refuse and garage facilities and associated landscaping; or (ii) such other development as the Purchaser with the Reasonable Consent of the Seller intends to complete;

“Purchaser” means Kingsford Developments Limited, incorporated under the Companies Acts (Company Number SC335132) and having its Registered Office at Fourteen Albany Street, Edinburgh EH1 3QB;

“Purchaser’s Solicitors” means Davidson Chalmers LLP, Twelve Hope Street, Edinburgh or such other solicitors as the Purchaser may appoint in their place from time to time and who have been notified in writing to the Seller’s Solicitors;

“Schedule” means the schedule in six parts annexed to this offer;

“Seller” means The City of Edinburgh Council, the local authority for the said City in terms of the Local Government etc (Scotland) Act 1994 and having its Principal Office at City Chambers, High Street, Edinburgh EH1 1YJ;

“Seller’s Bank Account” means such UK clearing bank account as the Seller nominates by written notice to that effect at least 3 Working Days prior to the Date of Entry;

“Seller’s Solicitors” means the Legal, Risk and Compliance Division of the Seller or such other solicitors as the Seller may appoint in their place from time to time and who have been notified in writing to the Purchaser’s Solicitors;

“Title Deeds” means the title deeds for the Property listed in Part 4 of the Schedule;

“Ultimate Planning Longstop Date” means the date occurring 3 years from the earlier of (a) the date of initial submission of whichever is the last to be submitted of the Purchaser’s application for planning permission, listed building consent, building warrant or any other necessary statutory consent or (b) the expiry of 16 weeks from the Conclusion Date;

“Working Day” means any day on which clearing banks in Edinburgh, Glasgow and London are open for normal business.

1.2 Interpretation

1.2.1 In the Missives, unless otherwise specified or the context otherwise requires:

- (a) a reference to one gender includes all other genders;
- (b) words in the singular only include the plural and vice versa;
- (c) a reference to the whole is to be treated as including reference to any part of the whole;
- (d) a reference to a person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality); words importing individuals include corporations and vice versa;
- (e) any reference to a Clause, Schedule or Part of the Schedule is to the relevant Clause, Schedule or Part of the Schedule of or to this offer;
- (f) reference to a statute or statutory provision includes any subordinate legislation which is in force from time to time under that statute or

statutory provision;

- (g) reference to any statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time taking account of any amendment or re-enactment;
- (h) any phrase introduced by the words “including”, “include”, “in particular” or any similar expression is to be construed as illustrative only and is not to be construed as limiting the generality of any preceding words;
- (i) for the avoidance of doubt, nothing herein contained or implied or done in terms of the Missives shall prejudice or affect the powers, rights, duties and obligations of The City of Edinburgh Council or its statutory successors as local authority, Planning Authority, Building Control Authority, Roads Authority or similar such authority under or by virtue of any public or local Act, order, statutory instrument, regulation or byelaw or relieve the Tenant of the necessity of obtaining from The City of Edinburgh Council or its statutory successors in said capacity all consents, permissions, warrants or approvals as may be requisite under or by virtue of any such public or local Act or others;
- (j) a document is duly executed only if it is executed in such manner as meets the requirements of Section 3 of the Requirements of Writing (Scotland) Act 1995; and
- (k) Where at any time there are two or more persons included in the expression “Purchaser” or “Seller” obligations contained in the Missives which are expressed to be made by the Purchaser and/or the Seller are binding jointly and severally on them and their respective executors and representatives whomsoever without necessity of discussing them in their order.
- (l) Any reference to funds being cleared means that the funds are immediately available for withdrawal from the holder’s bank account; and
- (m) Any reference to “Reasonable Consent” means the prior written consent of the party in question, such consent not to be unreasonably withheld or delayed.

1.3 **Headings**

The headings in this offer are included for convenience only and are to be ignored in construing the Missives.

1.4 **Schedule**

The Schedule forms part of the Missives.

2 **SUSPENSIVE CONDITIONS**

The Missives, other than Clause 1 and this Clause 2 are suspensively conditional upon:

2.1 **Conditions to be purified by the Purchaser**

The Purchaser obtaining at the Purchaser's own cost:

2.1.1 **Planning Permission, Listed Building Consent, Building Warrant and other necessary Statutory Consents**

Planning permission, listed building consent, building warrant and all other necessary statutory consents in respect of the Proposed Development in terms acceptable to the Purchaser (and any funding partner of the Purchaser), acting reasonably;

2.1.1.1 The Seller warrants that the current permitted use of the Property is office use within Use Class 4 of the Schedule to the Town and Country Planning (Use Classes) (Scotland) Order 1997

2.1.1.2 The Purchaser shall

- (i) require to deliver a copy of the planning, listed building and building warrant applications and applications for any other necessary statutory consents to the Seller prior to submission.
- (ii) Enter into pre-application discussions with the Local Authority Planning Department within four weeks of the Conclusion Date and conclude the pre-application discussions within a further eight weeks, and as soon as practicable following conclusion of the pre-application discussions (and in any event within four weeks following conclusion of the pre-application discussions), submit the said applications; and
- (iii) pursue said applications with due diligence using reasonable endeavours.

The Seller will provide all reasonably necessary assistance to the Purchaser in connection with progressing the applications referred to in Clause 2.1.1 including, if required to do so, signing all necessary documentation in connection with the applications.

2.1.1.3 Subject to Clauses 2.1.1.4 , 2.1.1.5, 2.1.1.6 and 2.1.1.7 the Purchaser shall require to purify or waive this condition 2.1.1 by the date occurring twelve months from the date of submission of the application for planning permission ("the Planning Longstop Date").

2.1.1.4 If at the end of said twelve month period but before either party exercises its right to resile from the Missives, the Purchaser has not obtained the planning permission, listed building consent, building warrant and all other necessary statutory consents referred to in this Clause 2.1.1 but can demonstrate to the Seller's reasonable satisfaction that the application for same will be determined within a further six months then the said twelve month period shall be

extended by a further period of six months and the extended period will be subject to such further reasonable extension as may be agreed in self-proving writing between the Purchaser and the Seller (both parties acting reasonably) it being provided that in the event that the Purchaser is unable to so satisfy the Seller and/or the Seller and the Purchaser are unable to agree the length of any such further extension, the matter may be referred at the instance of either party to third party determination by planning counsel with not less than 10 years' experience in planning law (acting as an expert) to be agreed on between the parties (acting reasonably) and planning counsel's decision on the matters referred to them shall be final and binding on the parties.

2.1.1.5 In the event of such applications for planning permission, listed building consent, building warrant and any other necessary statutory consent being refused (including at the option of the Purchaser, a deemed refusal) or granted subject to conditions which are not satisfactory to the Purchaser, acting reasonably, the Purchaser shall be entitled (but not bound)

- (i) within six weeks of receipt of the notice of refusal or of receipt of the unsatisfactory planning permission, listed building consent, building warrant or other necessary statutory consent or of a deemed refusal, to resile from the Missives as hereafter provided on giving reasons for same (including an explanation as to why any conditions are considered unreasonable by the Purchaser); or
- (ii) within three months of receipt of the notice of refusal or of receipt of said unsatisfactory permission or consent or of a deemed refusal to appeal such decision, including, if the Purchaser considers it desirable, by application to the Court of Session and the period referred to in Clause 2.1.1.3 (as the same may be extended by Clause 2.1.14) will be extended for a further period of six months to allow for the appeal to be determined always providing that (1) the Purchaser, or any planning consultant engaged by it, can demonstrate to the Seller's reasonable satisfaction that such appeal has greater than fifty per cent chance of success and (2) the said extended period will be subject to such further reasonable extensions as may be agreed in self-proving writing between the Purchaser and the Seller (both parties acting reasonably) it being provided that in the event that the Purchaser and Seller cannot agree whether the appeal has a greater than fifty per cent chance of success, or the length of any further reasonable extensions as aforesaid, the matter may be referred at the instance of either party to third party determination by planning counsel with not less than 10 years' experience in planning law (acting as an expert) to be agreed on between the parties (acting reasonably) and planning counsel's decision on the matters referred to them shall be final and binding on the parties.

2.1.1.6 The Purchaser shall be solely responsible for obtaining said planning

permission, listed building consent, building warrant and any other necessary statutory consent and nothing herein contained or implied shall import any warranty by the Seller as to the availability of said planning permission, listed building consent, building warrant or other necessary statutory consent.

- 2.1.1.7 In the event of the relevant Planning Authority being minded to grant outline and/or detailed planning permission to the Purchaser for the redevelopment of the Property, subject to the entering into of a s. 75 Agreement on terms and conditions which the Purchaser finds acceptable then the period referred to in Clause 2.1.1.3 will be extended for a further period of three months (or such longer period as may be required to take account of any delay on the part of the Planning Authority in agreeing the terms of the s.75 Agreement) to allow for the Purchaser and the Planning Authority to enter into the S.75 Agreement. The Seller will conjoin as a party to the s. 75 Agreement, if called upon to do so by the Purchaser, and do everything necessary to procure the execution of such s. 75 Agreement as quickly as possible. In the event that the relevant Planning Authority does require that such s. 75 Agreement be entered into, then each party will bear its own legal expenses in connection with same.

2.1.2 **Site Investigations**

Satisfactory site investigations (including, but not limited to, soil surveys, structural surveys, environmental surveys and such other surveys as may be required) and service reports acceptable to the Purchaser acting reasonably. The Purchaser accepts that any oil fired plant within the Property is obsolete and no records relating thereto shall be delivered or exhibited. The Purchaser further accepts that any services previously supplied or originating from the adjoining school have now been disconnected and the Purchaser shall make its own alternative provision for same at its sole cost.

- 2.1.2.1 If this Clause 2.1.2 is not purified or waived by the date occurring twelve weeks after the Conclusion Date either the Seller or the Purchaser shall be entitled to resile from the Missives as hereinafter provided on giving reasons for same (including an explanation as to why said site investigations or service reports are considered unreasonable by the Purchaser).

2.1.3 **Parties to facilitate**

Each party will afford to the other all reasonable facilities to permit the conditions contained in Clauses 2.1.1 and 2.1.2 to be purified and, without prejudice to the foregoing generality the Seller will allow the Purchaser access to the Property at reasonable hours and by prior arrangement to permit the surveys to be carried out, on the condition that (i) the Purchaser makes good any damage which may be caused as a result of carrying out the surveys as soon as reasonably practicable to the Seller's reasonable satisfaction, (ii) such access is taken so as to cause the Seller or its permitted occupiers as also the occupiers of the adjoining school as little inconvenience as is reasonably practicable and (iii) the Purchaser shall indemnify the Seller against all liability,

claims, losses, damages, expenses or proceedings of whatsoever nature arising as a consequence of such access.

2.1.4 **Rights to resile**

If all or any of the conditions contained in Clauses 2.1.1 and 2.1.2 are not purified or waived by the Purchaser within the respective time limits, either the Seller or the Purchaser shall be entitled to resile from the Missives without penalty (except in relation to any antecedent breach), by written notice as after provided for at any time prior to the conditions being purified or waived, time being of the essence.

2.1.5 **Progress of Suspensive Conditions**

The Purchaser shall at its own cost use reasonable endeavours to purify the suspensive conditions contained in Clauses 2.1.1 and 2.1.2 as soon as reasonably practicable and that with due diligence, providing the Seller with updates on progress in connection with the same at regular intervals and that also upon written request.

2.2 **Challenge Period**

2.2.1 Provided Condition 2.1.1 has been purified, the expiry of the Challenge Period without either any Challenge having been made or, in the event that a Challenge or Challenges are so made, all of same being withdrawn, successfully resisted, overturned or appealed such that the Planning Permission again becomes valid.

2.2.2 In the event that a Challenge is made the Purchaser shall be entitled to resile from the Missives without penalty provided that notice of its intention to do so is served on the Seller within the Challenge Period or, if later, within three weeks following the date that such Challenge is notified to the Purchaser. In the event of the Purchaser failing to serve notice as aforesaid the Purchaser shall be deemed to have agreed to await determination of any such Challenge subject always to the provisions of Clause 2.4. In the event that a Challenge is successful the Purchaser shall be entitled to resile from the Missives without penalty.

2.3 **Benefit of conditions**

The conditions contained in Clauses 2.1 and 2.2 are to be construed solely for the benefit of the Purchaser and the Purchaser is entitled (at any time before the valid service of any notice resiling as aftermentioned) to waive them in whole or in part.

2.4 **Ultimate Planning Longstop Date**

Notwithstanding anything contained in this Clause 2, in the event that the conditions contained in Clauses 2.1 and 2.2 are not purified or waived by the Ultimate Planning Longstop Date, or if prior to the Ultimate Planning Longstop Date the parties are awaiting the determination of a Challenge and both agree in writing that the Challenge is likely to be successful, then either the Seller or Purchaser shall be entitled to resile from the Missives without penalty (except in

relation to any antecedent breach) by written notice as after provided for at any time prior to the conditions being purified or waived, time being of the essence.

2.5 **Notices**

Every notice to be given in terms of this Clause 2 is validly given if given in writing or by fax or e-mail and may be given by one party or its solicitors to the other party or its solicitors.

3 **PAYMENT**

3.1 **Price**

The Price will be paid by the Purchaser on the Date of Entry by instantaneous bank transfer of cleared funds to the Seller's Bank Account in exchange for the Disposition and other items to be delivered by the Seller referred to in Clause 8.

3.2 **Interest**

If the Price (and any VAT if applicable) or any part of it is not paid to the Seller on the Date of Entry then, notwithstanding consignment or that the Purchaser has not taken entry, the Purchaser will pay to the Seller Interest on the outstanding money

3.3 **Cancellation of Sale**

If the Purchaser fails to pay the Price (and any VAT if applicable) with Interest as set out in Clause 3.2 within fifteen Working Days after the Date of Entry, the Seller is entitled to rescind the Missives, to re-sell the Property to any third party and to claim damages from the Purchaser, which may include:-

3.3.1 all costs and expenses incurred in relation to the re-marketing of the Property and the re-sale of it;

3.3.2 any shortfall between

3.3.2.1 the sale price received by the Seller on any such re-sale; and

3.3.2.2 the Price; and

3.3.3 financial losses which the Seller would not have incurred had the Price been paid on the Date of Entry and interest which the Seller could have earned on the Price had it been paid on the Date of Entry.

If the Seller rescinds the Missives, no Interest will be due by the Purchaser in terms of Clause 3.2.

3.4 **Receipt of Money**

For the purposes of this Clause 3, money will not be deemed paid to the Seller until such time as same day credit on it is available to the holder of the Seller's Bank Account in accordance with normal banking practice.

3.5 **Suspension**

The provisions of Clauses 3.2 and 3.3 will not apply for any period of time during which the delay in payment by the Purchaser is due to any failure or breach by or on behalf of the Seller to implement its obligations or duties under the Missives on time.

4 **VAT**

Exempt

4.1 The Seller confirms that, subject to Clause 4.2, the sale of the Property to the Purchaser will comprise an exempt supply for VAT purposes and undertakes that:

4.1.1 It has not exercised pursuant to the VAT Act, Schedule 10, paragraph 2 (or been treated pursuant to the VAT Act, Schedule 10, paragraph 21 as having exercised) an option to tax in respect of the Property and will not, prior to Completion, exercise (or be so treated as having exercised) such option to tax;

4.1.2 it is not, and will not at Completion be, a relevant associate (for the purposes of the VAT Act, Schedule 10, paragraph 2) of any person who has exercised, or been treated as having exercised, an option to tax in respect of the Property as mentioned in Clause 4.1.1; and

4.1.3 no part of the supply of the Property to the Purchaser will comprise a supply within any of sub-paragraphs (a) to (n) of the VAT Act Schedule 9, Group 1, Item 1.

4.2 For the avoidance of doubt, in the event of the Seller being compelled to charge VAT in respect of the Property by statute or otherwise (provided always that the compulsion is not as a consequence of a breach by the Seller of the provisions of this clause 4) the Purchaser shall be responsible for payment of VAT on the Price in exchange for a valid VAT invoice and the Missives shall be construed on the basis that VAT is to be charged on the Price. In the event that the Seller is compelled to opt to tax the Property in terms of the VAT Act, Schedule 10, paragraph 2, if requested by the Purchaser, they will take reasonable steps to assist the Purchaser in disapplying the option to the extent that the Purchaser intends to use the Property for residential purposes.

5 **ENTRY AND APPORTIONMENTS**

5.1 **Entry**

Entry to and vacant possession of the Property will be given on the Date of Entry.

5.2 **Apportionments**

5.2.1 All outgoings for the Property (other than rates) will be apportioned as

at Completion on an equitable basis.

- 5.2.2 Within 5 Working Days after Completion, the Seller or the Seller's Solicitors will advise the local authority's rating department of the change of ownership of the Property with effect from the Date of Entry so that any apportionment of rates can be carried out by the local authority.

6 DISCLOSED DOCUMENTS

- 6.1 Subject to Clauses 6.3 and 8 the Purchaser is deemed to have examined the Disclosed Documents and accepts that it is purchasing the Property on the basis that it has satisfied itself on all matters disclosed in them and on the validity and marketability of the Seller's title to the Property.
- 6.2 Clause 6.1 will override any other provision of the Missives apparently to the contrary and any confirmation given by the Seller in the Missives is given subject to the Disclosed Documents whether or not that is expressly stated.
- 6.3 The Seller will exhibit a Property Enquiry Certificate (including a Roads Adoption Plan) from either the relevant local authority, First Scottish or Millar & Bryce (at the option of the Seller) immediately following the Conclusion Date and not more than six nor less than two weeks prior to the Date of Entry (the first Property Enquiry Certificate being at the Seller's expense and the second being at the Purchaser's expense). In the event of the said Certificates disclosing any matter materially prejudicial to the Purchaser, the Purchaser shall have five working days after receipt of such Certificate disclosing such matter to resile from the Missives. In the event that the Purchaser has not resiled as aforesaid within the said five working day period then the Purchaser shall be deemed to be fully satisfied with the terms of such Certificate.
- 6.4 The Seller will exhibit an additional asbestos report in respect of the lift shaft as soon as possible following the Conclusion Date. In the event of the said additional report disclosing any matter materially prejudicial to the Purchaser, the Purchaser shall have ten working days after receipt of such additional report to resile from the Missives. In the event that the Purchaser has not resiled as aforesaid within the said ten working day period then the Purchaser shall be deemed to be fully satisfied with the terms of said additional report.

7 TITLE

7.1 Burdens

- 7.1.1 The Property is sold with and under the real burdens, reservations, restrictions, servitudes, rights of way or similar rights, overriding interests, and other conditions affecting the Property whether specified or referred to in the Title Deeds or not as also the burdens contained in the Disposition.
- 7.1.2 So far as the Seller is aware there are no servitudes, rights of way or similar rights affecting the Property other than as referred to in the Disclosed Documents.

7.1.3 In respect that the Purchaser intends upon Conclusion to make application to the Lands Tribunal for Scotland for a Discharge of the burden relating the use of the Property contained in Clause (First) of Feu Charter by the Governors of George Heriot's Trust in favour of the School Board of the Burgh of Edinburgh recorded GRS Edinburgh 14th December 1899, the Seller warrants that it shall not lodge any objection to such application or the granting of such Discharge nor shall it in any way draw said application or Discharge to the attention of any third party nor encourage any such third party to lodge any objection to same.

7.2 Minerals

The minerals are included in the sale to the extent to which the Seller has any right to them.

7.3 Outstanding Disputes

During the period of the Seller's ownership of the Property, as far as the Seller is aware, there have been no disputes which remain outstanding with neighbouring proprietors or third parties about items common to the Property and adjacent premises, access to or from the Property, the title to the Property or similar matters.

7.4 Occupancy Rights

The Seller warrants that no part of the Property is (or has within the prescriptive period been) used as a private residence and consequently that the provisions of none of the Matrimonial Homes (Family Protection) (Scotland) Act 1981 as amended, or the Family Law (Scotland) Act 1985, or the Civil Partnership Act 2004 apply to the Property or any part of it, or to the Seller's interest in the Property.

7.5 Land Register Requisitions

7.5.1 The Seller will deliver to the Purchaser, as soon as reasonably practicable following written demand from time to time and at the Seller's expense, such documents and evidence as the Keeper may properly require to enable the Keeper to issue a Land Certificate in name of the Purchaser or Nominee Entity as the registered proprietor of the whole of the Property and, subject as otherwise provided for in the Missives, provided that the Disposition is presented for registration within fourteen days after Completion, containing no exclusion of indemnity in terms of Section 12(2) of the Land Registration (Scotland) Act 1979. Such documents will include (unless the Property comprises part only of a building) a plan or bounding description sufficient to enable the Property to be identified on the Ordnance Survey Map and evidence (such as a Form P16 Report) that the description of the Property in the Title Deeds is habile to include the whole of the occupied extent.

7.5.2 Provided that the Disposition is presented for registration within fourteen days after Completion, subject as otherwise provided for in

the Missives, the Seller warrants that the Land Certificate to be issued to the Purchaser or Nominee Entity will disclose no entry, deed or diligence prejudicial to the interest of the Purchaser or Nominee Entity other than such as are created by or against the Purchaser or Nominee Entity or have been disclosed to, and accepted in writing by, the Purchaser or Nominee Entity prior to Completion.

8 COMPLETION

8.1 Completion Checklist

- 8.1.1 At Completion the Purchaser will pay the Price (and any VAT) to the Seller in terms of Clause 3.1 and, in exchange, the Seller will deliver to the Purchaser:
 - 8.1.2 the Disposition duly executed by the Seller;
 - 8.1.3 Copies of the Title Deeds; and all necessary links in title evidencing the Seller's exclusive ownership of the Property;
 - 8.1.4 The remaining Disclosed Documents
 - 8.1.5 Form 10 Report brought down to a date as near as practicable to Completion and showing no entries adverse to the Seller's interest in the Property;
 - 8.1.6 the Letter of Obligation. If requested by the Seller, the Purchaser shall deliver a letter of undertaking to deal with dual registration of the Disposition at the same time as registration of the Purchaser's title to the Property and deliver copies of the Form 4 Addendum (if received) in respect of the same to the Seller as soon as reasonably practicable and in any event no later than 15 Working Days after Completion;
 - 8.1.7 any other deeds and documents to be delivered to the Purchaser on or before Completion in terms of the Missives.

8.2 Dual Registration

- 8.2.1 The Seller and the Purchaser agree that the Disposition creates real burdens and/or servitudes affecting the Property (and that as such dual registration is required):-
 - 8.2.2 the Seller will deliver a completed and signed SAF in respect of the Seller's property which will benefit from or be burdened by the real burdens and/or servitudes;
 - 8.2.3 the Purchaser will at its own cost submit the signed SAF in respect of the registration of the real burdens and/or servitudes against the Seller's property at the same time as the Purchaser's application for registration of the Disposition, along with a Form 4, and will provide the Seller with a copy of the Keeper's letter acknowledging receipt of the application within 15 Working Days after Completion.

8.3 **Completed Disposition**

Within 20 Working Days of Completion the Purchaser shall deliver to the Seller a certified true copy of the completed Disposition and the Keeper's acknowledgement of registration thereof (provided the same is received), and thereafter as soon as practicable upon receipt from the Registers of Scotland deliver to the Seller a colour copy of the Land Certificate issued by the Registers of Scotland in respect of the Property.

9 **INSURANCE**

9.1 From the Conclusion Date until Completion, the Seller will keep the Property insured for its full reinstatement value.

9.2 The Seller will within 5 Working Days following Completion cancel its insurances (under reservation of all prior claims).

10 **DAMAGE OR DESTRUCTION**

10.1 Risk of damage to or destruction of the Property will not pass to the Purchaser until Completion.

10.2 During the period between the Conclusion Date and the Date of Entry, the Seller will keep the Property in no worse condition than the condition demonstrated by the Schedule of Condition contained in Part 6 of the Schedule (fair wear and tear excepted) PROVIDED THAT notwithstanding the terms of the Schedule of Condition, the Seller will keep the Property at all times in wind and watertight condition commensurate with its age and method of construction and take all necessary steps to prevent the spread of any known occurrences of rot or damp within the Property (the condition as demonstrated by the Schedule of Condition (subject to the foregoing proviso) being "the Required Condition"). As soon as practicable following the Conclusion Date and, thereafter, no less often than every three months the Purchaser and the Seller will carry out a joint inspection to establish whether the Property remains in the Required Condition. If the parties agree, both acting reasonably, that the Property is not in such condition, the Seller will carry out any necessary works to restore the Property to the Required Condition at the Seller's cost. Around two months prior to Completion, the Purchaser shall be entitled to carry out at its sole cost a full specialist preservation survey to establish whether further decay has resulted as a consequence of the failure of the Seller to keep the Property in the Required Condition. If such decay is disclosed, the Seller will carry out any necessary works to restore the Property to the Required Condition at the Seller's cost or, at the Purchaser's instance, the estimated cost as agreed of remedying any such decay will be deducted from the Price (with the Seller making up any shortfall following completion of the works by the Purchaser to remedy the decay and upon production by the Purchaser to the Seller of an accounting for the costs of same on an open book basis and that within 10 Working Days of demand). In the event of any dispute in terms of this Clause 10.2, the matter may be referred to an independent surveyor for determination appointed either by agreement between the Parties or, failing agreement, by the Chairman of the Scottish Branch of the RICS (the costs of such determination being met as directed by the surveyor or, failing direction, equally).

- 10.3 If prior to Completion the Property sustains damage (whether insured or otherwise) which at common law would entitle a hypothetical tenant under a hypothetical lease of the Property to an abatement of rent of an amount exceeding 20% of the rent, either party will be entitled to resile from the Missives without penalty on delivery of written notice to that effect to the other's solicitors no later than midday on Completion, time being of the essence.
- 10.4 If there is any dispute as to whether the Property has suffered such damage, the matter will be referred to the decision of an independent surveyor, who will act as an expert, appointed, failing agreement, by the Chairman of the RICS in Scotland on application by either party. The independent surveyor's decision will be binding on the parties. If the independent surveyor dies, delays or becomes unwilling or incapable of acting then either the Seller or the Purchaser may apply to the Chairman to discharge that independent surveyor and appoint a replacement. The fees and expenses of the independent surveyor and the cost of appointment are payable by the Seller and the Purchaser in the proportions which the independent surveyor directs and if no direction is made then equally.
- 10.5 Subject to Clauses 10.2, 10.3 and 10.5.3, if the Property is damaged or destroyed by an insured risk prior to Completion, the Seller's responsibility to the Purchaser, at Completion, will be:
- 10.5.1 To pay to the Purchaser such insurance proceeds as have been received by the Seller to the extent that they have not been spent on reinstatement (the Seller being obliged to pursue its insurance claim diligently and to use reasonable endeavours to maximise the insurance proceeds); and
- 10.5.2 To assign its rights in respect of the insurance proceeds specified in Clause 10.5.1 to the Purchaser.
- 10.5.3 It is accepted by the Purchaser that the Council's insurance policy carries an excess of £250,000 and in the event that the Property is damaged or destroyed by an insured risk as aforesaid, and neither party has resiled from the Missives in terms of Clause 10.3 then the Seller shall, at its sole option, either (i) restore the Property to the Required Condition or (ii) make a claim under its policy of insurance and any portion of the excess which is not reimbursed by the insurers as a result of any insurance claim and any shortfall in insurance proceeds arising from the Seller's failure adequately to insure the Property for its full reinstatement value will be deducted from the Price.

11 STATUTORY MATTERS

11.1 Statute

Subject to Clause 6.3, the Purchaser is deemed to have satisfied itself on the application of all statute and statutory regulations and rules in so far as affecting or relating to the Property and, except as expressly provided for in the Missives, the Seller gives no warranties or assurances on such matters.

11.2 **Statutory Repairs Notices**

Any local authority statutory repairs notices (other than any notice or requirement of any Environmental Authority made pursuant to any Environmental Law (as defined in Clause 12)) affecting the Property which are issued prior to Completion will as between the Purchaser and the Seller be the responsibility of the Seller except to the extent that they are instigated by or with the authority of the Purchaser or the Nominee Company. Liability under this Clause will subsist until met and will not be avoided by the issue of a fresh notice.

11.3 **Energy Performance Certificate**

The Purchaser by its acceptance hereof confirms that it has had sight of a valid current energy performance certificate (in terms of the Energy Performance of Buildings (Scotland) Regulations 2008) in respect of the Property.

12 **ENVIRONMENTAL**

12.1 **Definitions**

In Clauses 11.2 and 12:

"Environment" means any and all organisms (including humans), ecosystems, natural or man-made buildings or structures, and the following media:

- (a) air (including air within buildings or structures, whether above or below ground)
- (b) water (including surface and ground water and water in wells, boreholes, pipes, sewers and drains); and
- (c) land (including surface land and sub-surface strata and any land under seabeds or rivers, wetlands or flood plains);

"Environmental Authority" means any person or legal entity (whether statutory or non-statutory or governmental or non-governmental) having regulatory authority under Environmental Law and/or any court of law or tribunal or any other judicial or quasi-judicial body;

"Environmental Law" means all laws, regulations, directives, statutes, subordinate legislation, rules of common law and generally all international, EU, national and local laws and all judgments, orders, instructions, decisions, guidance awards, codes of practice and other lawful statements of any Environmental Authority applying from time to time in relation to the Property in respect of pollution of or protection of the Environment or the production, processing, treatment, storage, transport or disposal of Hazardous Substances, in each case insofar as having the force of law;

"Hazardous Substances" means any natural or artificial substance (whether in solid or liquid form or in the form of a gas or vapour and whether alone or in

combination with any other substance) capable of causing harm to the Environment and/or harm to the health of living organisms or other interference with the ecological systems of which they form part and/or harm to property and/or in the case of humans, offence caused to any sense;

12.2 **Agreement as to Environmental Liabilities**

12.2.1 The Seller warrants:

12.2.1.1 That they have not received any notice from the Environmental Authority made pursuant to Environmental Law in respect of the Property;

12.2.1.2 To the best of its knowledge and subject to the terms of the asbestos report already exhibited they have not deposited any Hazardous Substances on the Property during their period of ownership.

The Seller and the Purchaser agree that:

12.2.2 if any notice or requirement of any Environmental Authority made pursuant to Environmental Law is served on or made of either of them in respect of the Property or any Hazardous Substances attributable to the Property, then, as between the Seller and the Purchaser, the sole responsibility for complying with such notice or requirement is to rest with the Purchaser to the exclusion of the Seller; and

12.2.3 if any Environmental Authority wishes to recover costs incurred by it in carrying out any investigation, assessment, monitoring, removal, remedial or risk mitigation works under Environmental Law in respect of the Property or any Hazardous Substances attributable to the Property from either or both of the Seller and the Purchaser then, as between the Seller and the Purchaser, the sole responsibility for the payment of such costs is to rest with the Purchaser to the exclusion of the Seller.

The agreements outlined under Clauses 12.2.2 and 12.2.3 are made with the intention that any Environmental Authority serving any notice or seeking to recover any costs should give effect to the agreements pursuant to the statutory guidance issued under Part IIA of the Environmental Protection Act 1990.

The Seller and the Purchaser agree that the appropriate Environmental Authority may be notified in writing of the provisions of Clause 12 if required to give effect to the agreements outlined under Clauses 12.2.2 and 12.2.3.

12.3 **Sold with Information**

12.3.1 The Purchaser acknowledges to the Seller that:

(i) it has carried out its own investigations of the Property for the purposes of ascertaining whether, and if so the extent to which, Hazardous Substances are present in, on, under or over the Property;

- (ii) such information gathered through those investigations is sufficient to make the Purchaser aware of the presence in, on, under or over the Property of any Hazardous Substances referred to;
- (iii) it has satisfied itself as to the condition of the Property.

12.3.2 Both parties agree that:

- (i) the Purchaser is a commercial organisation and the Seller is a large public body;
- (ii) the Purchaser has been given permission and adequate opportunity to carry out its own investigations of the Property for the purpose of ascertaining whether, and if so the extent to which, Hazardous Substances are present in, on, under or over the Property;
- (iii) the transfer of the Property pursuant to the Missives is an open market arm's length transaction; and
- (iv) the Seller will not retain any interest in the Property or any rights to occupy or use the Property following Completion.

12.3.3 The acknowledgements in this Clause 12 are made in order to exclude the Seller from liability under Part IIA of the Environmental Protection Act 1990 so that the Seller is not an appropriate person, as defined therein.

12.4 **Environmental Indemnity**

The Purchaser will indemnify the Seller in respect of all and any actions, losses, damages, liabilities, charges, claims, costs and expenses which may be paid, incurred, suffered or sustained by the Seller arising (directly or indirectly) out of or in connection with the presence of any Hazardous Substances in, on or under the Property or migrating to or from the Property.

13 **MOVEABLES**

On or prior to the Date of Entry, the Seller will remove all contents, moveable items and clear all rubbish from the Property at the Seller's expense.

14 **COSTS**

14.1 The Purchaser shall pay its own costs, Stamp Duty Land Tax and registration dues;

14.2 The Purchaser shall pay to the Seller at Conclusion a non-refundable contribution of Two Thousand Pounds (£2,000) towards the Seller's properly and reasonably incurred legal fees and expenses together with VAT thereon (if appropriate) in connection with all work including the negotiation, preparation and completion of the Missives, preparation of the Disposition to follow hereon, the conveyancing of the Property, completion of the sale and subsequent dual registration process.

- 14.3 The Purchaser will create a garden for the use of the adjoining school said garden to be created within the school grounds and the design of which is to be as agreed between the Purchaser and the staff of said school. The cost of said work shall be of a value of **FOUR THOUSAND EIGHT HUNDRED AND FIFTY (£4,850) STERLING** and that on an open book basis. Said work shall be completed no later than the date of practical completion of the Proposed Development. Following completion of the garden it shall thereafter be maintained by the adjoining school and the Purchaser will have no continuing liability for same.
- 14.4 The Seller declares that VAT shall only be payable on the legal fee contribution in the event of it being compelled to charge VAT on the price.

15. ACCESS RIGHTS OVER SCHOOL

The Purchaser shall be entitled upon giving reasonable prior notice to the Seller to exercise such right of access over the ground pertaining to the adjoining school as shall be reasonably required for the purposes of the Purchaser carrying out the Proposed Development and that at such times, to such extent and on such conditions as shall be agreed between the Seller and the Purchaser; Which foregoing right shall specifically include a right to erect scaffolding along the rear elevation of the Property but that for a period of no longer than twelve months from the date of commencement of erection of same; Declaring that in agreeing the foresaid times, extent and conditions the Seller shall be entitled to take into consideration any special considerations attaching to the presence and functioning of said school and declaring further that said access shall be exercised subject to the Purchaser making good any damage caused to said adjoining ground and any buildings or equipment erected thereon in the exercise of said access and furthermore the Purchaser shall indemnify the Seller against all actions or other proceedings, costs, claims, losses and demands howsoever arising in relation to the Purchaser's exercise of said right of access.

16. NO EMPLOYEES

- 16.1 As at the Conclusion Date and Completion, the Seller confirms that there are no persons to whom the provisions of the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("**Employment Regulations**") will apply in relation to:
- 16.1.1 the sale of the Property; and
- 16.1.2 the creation or cessation of any contractual relationship consequent to such sale with the effect of such person's employment (or liability for it and its termination) being deemed to transfer to the Purchaser at Completion.
- 16.2 If it is asserted or found by a court or tribunal that the Employment Regulations apply in relation to any person ("**Employee**"), the Purchaser may terminate the employment of the Employee within 10 Working Days, where it has not already terminated, and if the Purchaser complies with its obligations under this Clause 16 (where applicable), the Seller undertakes to keep the Purchaser indemnified,

on demand, against all costs, claims, liabilities and expenses (including reasonable legal expenses) of any nature arising out of the employment of the Employee prior to Completion or the termination of it (whether it is terminated by the Purchaser or any other person and whether before, on or after Completion).

- 16.3 The Seller acknowledges and agrees that the Purchaser will grant an indemnity in favour of each and any of its contractors to the same extent that the Seller is undertaking to indemnify the Purchaser in terms of Clause 16 and agrees that in the event of a claim on any indemnity in terms of Clause 16 for loss incurred by the Purchaser, that loss will include the amount, if any, which the Purchaser has paid or is required to pay to any of its contractors by virtue of any indemnity granted by the Purchaser in accordance with the provisions of Clause 16.

17 **Access**

Access to the Property prior to the Date of Entry on reasonable prior notice being given to the Seller will be given to the Purchaser, its surveyors and other professional advisers with machinery, plant and equipment for all reasonable purposes (including examining the Property), provided that the Purchaser will ensure that in doing so they:

- 17.1 comply with the Seller's reasonable requirements, declaring that the Seller shall be entitled to take into consideration any special considerations attaching to the presence and functioning of the adjoining school, and
- 17.2 exercise reasonable restraint and make good all loss, injury and damage caused to the Property and shall indemnify the Seller against all actions or other proceedings, costs, claims, losses and demands howsoever arising in relation to the Purchaser's exercise of said right of access.

18 **CONFIDENTIALITY**

The Seller will not disclose details of the Missives or the acquisition of the Property by the Purchaser to the Press or otherwise prior to Completion except:

- 18.1.1 with the prior written consent of the Purchaser;
- 18.1.2 to any relevant Committee of the Seller or the Seller's internal departments and agents and professional advisers in connection with the acquisition/sale of the Property;
- 18.1.3 where required by law; and
- 18.1.4 where required to comply with the requirements of the Stock Exchange or any other regulatory or government authority.

19 **GENERAL**

19.1 **Formal Documentation Required**

Neither the Seller nor the Purchaser is bound by any acceptance of this offer or any other letter purporting to form part of the Missives or any amendment or variation of the Missives unless it is executed in a self-proving manner.

19.2 Complete Agreement

The Missives (including the annexations to it) represent and express the full and complete agreement between the Seller and the Purchaser relating to the sale of the Property at the Conclusion Date and will supersede any previous agreements between the Seller and the Purchaser relating to it. Neither the Seller nor the Purchaser has been induced to enter into the Missives on account of any prior warranties or representations.

19.3 Proper Law and Prorogation

The Missives and the rights and obligations of the Seller and the Purchaser are governed by and construed in accordance with the law of Scotland and the Seller and the Purchaser are deemed to have agreed to submit to the non-exclusive jurisdiction of the Scottish courts.

19.4 Formal letters binding if emailed or faxed

This offer and any acceptance of this offer or any other letter forming part of the Missives which is faxed or emailed by one party's solicitors to the other party's solicitors will be held to the order of the other party's solicitors from the time it is sent to them by email or fax. The Seller's Solicitors and the Purchaser's Solicitors undertake to deliver the original of the letter sent by e-mail or fax to the other party's solicitor by post or by hand as soon as practicable.

19.5 Assignment

The Missives shall be personal to the Purchaser and the Purchaser shall not be entitled (whether at common law or otherwise) to assign, transfer, grant any security interest over, hold on trust, sub-contract or otherwise in any way deal with the rights conferred upon it under the Missives in whole or part or purport to do any of the above .

Notwithstanding the foregoing the Purchaser shall be entitled to require the Seller to grant the Disposition to such company, limited liability partnership, partnership or limited partnership as is nominated by the Purchaser (the "Nominee Entity") provided that the Purchaser can demonstrate to the Seller's satisfaction (acting reasonably) that the said Nominee Entity is a related entity of the Purchaser incorporated for the purpose of effecting the Proposed Development and that Alex Watts is a director, partner or member of both the Purchaser and the Nominee Entity. Furthermore the Disposition shall not refer to any onward conveyance by the Purchaser to the Nominee Company for a sum greater than the Price.

19.6 Supersession

The provisions of the Missives (other than Clauses 1,3.3,6, 7, 8, 11, 12 and 16 which will remain in full force and effect until implemented) in so far as not implemented by the granting and delivery of the Disposition and others, will remain in full force and effect until the earlier of (i) the date when such provisions have been implemented; and (ii) two years after the Date of Entry

except in so far as they are founded on in any court proceedings which have commenced within such two year period.

20 **TIME LIMIT**

This offer, unless previously amended or withdrawn, is open for attested acceptance in writing on behalf of the Purchaser reaching me not later than 5pm on Wednesday 6 March 2013, failing which said offer shall be deemed pro non scripto.

I, _____, one of the Proper Officers of The City of Edinburgh Council sign this and the 21 preceding pages together with the Schedule as shown below:-

Signature

Date when signed.....

Place where signed.....Edinburgh

Signature of Witness

Name of Witness

Address of Witness ... Waverley Court, 4 East Market Street, Edinburgh

THIS IS THE SCHEDULE REFERRED TO IN THE FOREGOING OFFER BY THE
CITY OF EDINBURGH COUNCIL TO KINGSFORD DEVELOPMENTS LIMITED
DATED 6 MARCH 2013

Part 1
Disclosed Documents

1. The Title Deeds
2. Property Enquiry Certificate dated 7 February 2013
3. Energy Performance Certificate
4. Form 10 Report dated 17 August 2012
5. Form P16 Report dated 17 August 2012
6. Asbestos Report dated 25 March and 1 April 2010

Part 2

Disposition

WE, THE CITY OF EDINBURGH COUNCIL, incorporated under the Local Government etc. (Scotland) Act 1994 and having our chief office at City Chambers, High Street, Edinburgh (the "Seller") proprietors of the property hereinafter disposed, IN CONSIDERATION of the sum of FOUR HUNDRED AND EIGHTY FIVE THOUSAND POUNDS (£485,000) STERLING (on which sum no Value Added Tax is payable) paid to us by [KINGSFORD DEVELOPMENTS LIMITED a company incorporated under the Companies Acts (Registered Number SC335132) and having its Registered Office at Number Fourteen Albany Street, Edinburgh, EH1 3QB [OR NOMINEE ENTITY]] of which sum the Seller hereby acknowledges receipt HAVE SOLD and DO HEREBY DISPONE to and in favour of the [said Kingsford Developments Limited] and to its successors and assignees whomsoever (the "Purchaser") heritably and irredeemably ALL and WHOLE that area of ground extending to one hundred and eighty three decimal or one thousandth parts of a hectare (0.183 ha) or thereby together with the building erected thereon (including the cellars pertaining thereto and lying beneath the aftermentioned building) extending to: (i) three storeys above ground where it is ex adverso the road known as and forming Broughton Road, Edinburgh; (ii) four storeys above ground where it is ex adverso the Access Road (as afterdefined); and (iii) between three and four storeys above ground at different points where it is ex adverso the road known as and forming McDonald Road, Edinburgh and known as Number One hundred and Fifty four McDonald Road, Edinburgh in the County of Midlothian and shown edged red and partly coloured pink on the plan annexed and executed as relative hereto (the "Plan"); but the subjects disposed are disposed UNDER EXCEPTION of ALL AND WHOLE the steps leading under that part of the subjects coloured pink on the Plan together with the airspace above same as aftermentioned declaring that the subjects hereby excepted shall extend from the lowest part of the foundations of said steps to the underside of the link corridor forming part of the said building One hundred and fifty four McDonald Road, aforesaid, lying immediately above same ("the Excepted Subjects") it being further declared that the link corridor, the airspace lying above the same and everything lying beneath the foundations of the Excepted Subjects will form part of the subjects disposed in terms of this Disposition; And the subjects hereinbefore disposed are disposed TOGETHER WITH (First) the airspace forming the cellars pertaining to and accessed from One Hundred And Fifty Four McDonald Road, aforesaid (insofar as not lying beneath the said building) together with the walls, roof, floor and foundations of said cellars and all as said cellars lie beneath the area of ground shown shaded green on the Plan; Declaring that the Seller shall retain ownership of the solum lying above said cellars as also the ground below same; (Second) (One) the metal gate lying along the boundary marked AB on the Plan and (Two) the parapet wall and railing thereon fronting McDonald Road and Broughton Road and lying along the boundary marked BC on the Plan and (Three) A right in common with us The City of Edinburgh Council and our successors as proprietors of Broughton Primary School in and to the retaining wall and metal railing lying along the boundary marked CD on the Plan; (Third) the real burdens set out in Part VII of the schedule annexed and signed as relative hereto (the "Schedule") which Schedule forms part of this Disposition and will have effect as if set out in full in the body of this Disposition; (Fourth) the servitudes set out in Part II of the Schedule; (Fifth) the fixtures and fittings, (Sixth) the parts, privileges and pertinents and (Seventh) the Seller's whole right, title and interest present and future in and to the subjects hereby disposed; Which subjects hereby disposed (hereinafter referred to as the "Conveyed Property") form Part and Portion of ALL and WHOLE (One)

ALL and WHOLE that area of ground situated at the southwest corner formed by the junction of McDonald Road with Broughton Road in the City and County of Edinburgh and extending to four hundred and thirty eight decimal or one thousandth parts of an acre or thereby Imperial Measure being the subjects more particularly described in, in feu farm disposed by and delineated and coloured red and green on the plan annexed and executed as relative to Feu Charter by the Governors of George Heriot's Trust in favour of the School Board of the Burgh of Edinburgh dated Eleventh and recorded in the Division of the General Register of Sasines applicable to the County of Edinburgh (now Midlothian) Fourteenth both days of December Eighteen hundred and Ninety nine, (Two) ALL and WHOLE that lot or area of ground consisting of one thousand eight hundred and eighty square yards or thereby Imperial Measure part of the Lands of Blandfield and Others in the County of Edinburgh being the subjects more particularly described in, disposed by and delineated and coloured pink on the plan annexed and executed as relative to Disposition by Ebenezer Erskine Scott in favour of the School Board of the Burgh of Edinburgh dated Twenty third and recorded in the said Division of the General Register of Sasines Twenty sixth both days of January Eighteen hundred and Ninety five and (Three) ALL and WHOLE the house called Blandfield House (otherwise referred to from time to time as Blandfield House) with the office houses pertaining thereto and the garden and pleasure ground also pertaining thereto extending to Eight hundred and sixty nine decimal or one thousandth parts of an acre imperial measure or thereby all as sometime occupied by Dr James Low and thereafter by Mrs Scott being the subjects contained in sections one, two and four of a Plan made out by George James, ordained surveyor in Edinburgh, which is annexed to the Disposition of the Lands of Blandfield (otherwise referred to from time to time as Blandfield) by the Very Reverend Henry Parr Hamilton, sole surviving trustee of the deceased Dr James Hamilton in favour of Robert Latta dated Ninth May Eighteen hundred and fifty three and which plan is docketted and subscribed by Messieurs Hunter Blair and Cowan, Writers to the Signet as agents of the said Very Reverend Henry Parr Hamilton bounded the said house and others on the north west by the public road from Edinburgh to Leith called the Bonnington Road; on the north east by the private road marked Number Five on the said plan; on the south east and south by the walls separating the garden ground and green part of the subjects from the remaining lands of Blandfield (otherwise referred to from time to time as Blandfield) marked Numbers three and nine of said plan; and on the south west and west by the property called Broughton Hall as marked on said plan being part of ALL and WHOLE the lands of Blandfield (otherwise referred to from time to time as Blandfield) and others in the County of Edinburgh being the lands and others particularly described in the Instrument of Sasine in favour of Robert Latta recorded in the New Particular Register of Sasines for the Sheriffdom of Edinburgh etc on the Sixteenth day of May Eighteen hundred and fifty three; But the Conveyed Property is disposed ALWAYS WITH AND UNDER the burdens, conditions and others contained in (One)(A) the said Feu Charter by the Governors of George Heriot's Trust in favour of the School Board of the Burgh of Edinburgh dated and recorded as aforesaid; (B) the Disposition by William Garden Seton in favour of the Water of Leith Purification Board and Sewage Commissioners dated Twenty eighth November and recorded in the Division of the General Register of Sasines applicable to the County of Edinburgh (now Midlothian) also Twenty eighth November Eighteen hundred and ninety three; and (C) the said Disposition by Ebenezer Erskine Scott in favour of the School Board of the Burgh of Edinburgh dated and recorded as aforesaid, (Two) the real burdens set out in Part VI of the Schedule and (Three) the servitudes set out in Part IV of the Schedule; Declaring (One) that the said real burdens and servitudes referred to in this Disposition shall be constituted as real burdens and servitudes within the meaning of Parts 1 and 7 respectively of the Title Conditions (Scotland) Act 2003, (Two) in terms of Section 92 of the said Title Conditions (Scotland) Act 2003 there shall be no application to the Lands Tribunal for Scotland under

Sections 90(1)(a)(i) or 91(1) of the said Title Conditions (Scotland) Act 2003 in respect of the real burdens set out in Parts VI and VII of the Schedule and the servitudes set out in Parts II and IV of the Schedule for a period of five years after the date of registration of this Disposition in the Land Register of Scotland; WITH ENTRY and vacant possession as at notwithstanding the date hereof; Which Conveyed Property to the extent that same forms part of the subjects described in the said Feu Charter by the Governors of George Heriot's Trust in favour of the School Board of the Burgh of Edinburgh dated and recorded as aforesaid and the said Disposition by Ebenezer Erskine Scott in favour of the School Board of the Burgh of Edinburgh dated and recorded as aforesaid were last vested in The School Board of the Burgh of Edinburgh whose title thereto is recorded in the said Division of the General Register of Sasines as aforesaid and from whom we the said The City of Edinburgh Council as Local Authority aforesaid acquired right by (1) the Education (Scotland) Act 1918 (2) the Local Government (Scotland) Act 1929 (3) the Local Government (Scotland) Act 1973 (4) Article 4 of the Local Authorities (Property etc) (Scotland) Order 1975 and (5) Section 15 of the Local Government etc (Scotland) Act

1994 and Article 3 of the Local Authorities (Property Transfer) (Scotland) Order 1995 Number 2499; And the Seller grants warrandice: IN WITNESS WHEREOF these presents consisting of this and the preceding five pages together with the Schedule annexed are executed as follows:

Subscribed for and on behalf of the said
THE CITY OF EDINBURGH COUNCIL
at _____ on the _____
_____ day of _____ by _____

its Proper Officer in the presence of: ..

Witness . Proper Officer
Name .
Address ..

SCHEDULE
THIS IS THE SCHEDULE REFERRED TO IN THE FOREGOING DISPOSITION BY
THE CITY OF EDINBURGH COUNCIL IN FAVOUR OF [KINGSFORD
DEVELOPMENTS LIMITED]

PART I: INTERPRETATION

In this Schedule

“Access Road” means the area shaded blue on the Plan;

“Conveyed Property” means ALL and WHOLE the property disposed by the foregoing Disposition by The City of Edinburgh Council in favour of [Kingsford Developments Limited];

“Construction Phase” means any period during which construction works are being carried out by the Proprietor of the Conveyed Property to either: (i) redevelop the whole or part of the Existing Building; or (ii) demolish the Existing Building and construct any new buildings on the Conveyed Property in substitution for the Existing Building.

“Existing Building” means the building 154 McDonald Road, Edinburgh, presently erected on the Conveyed Property;

“Plan” means the Plan annexed and executed as relative hereto;

“Proprietor of the Conveyed Property” means [Kingsford Developments Limited] and their successors and assignees as proprietors of the Conveyed Property;

“Proprietor of the Retained Property” means The City of Edinburgh Council and its successors and assignees as proprietors of the Retained Property;

“Retained Property” means (One) ALL and WHOLE that area of ground situated at the southwest corner formed by the junction of McDonald Road with Broughton Road in the City and County of Edinburgh and extending to four hundred and thirty eight decimal or one thousandth parts of an acre or thereby Imperial Measure being the subjects more particularly described in, in feu farm disposed by and delineated and coloured pink and blue on the Plan annexed and executed as relative to Feu Charter by the Governors of George Heriot’s Trust in favour of the School Board of the Burgh of Edinburgh dated Eleventh and recorded in the Division of the General Register of Sasines applicable to the County of Edinburgh (now Midlothian) Fourteenth both days of December Eighteen hundred and Ninety nine, (Two) ALL and WHOLE that lot or area of ground consisting of one thousand eight hundred and eighty square yards or thereby Imperial Measure part of the Lands of Blandfield and Others in the County of Edinburgh being the subjects more particularly described in, disposed by and delineated and coloured pink on the Plan annexed and executed as relative to Disposition by Ebenezer Erskine Scott in favour of the School Board of the Burgh of Edinburgh dated Twenty third and recorded in the said Division of the General Register of Sasines Twenty sixth both days of January Eighteen hundred and Ninety five and (Three) ALL and WHOLE the house called Blandfield House (otherwise referred to from time to time as Blaudfield House) with the office houses pertaining thereto and the garden and pleasure ground also pertaining thereto extending to

Eight hundred and sixty nine decimal or one thousandth parts of an acre imperial measure or thereby all as sometime occupied by Dr James Low and thereafter by Mrs Scott being the subjects contained in sections one, two and four of a Plan made out by George James, ordained surveyor in Edinburgh, which is annexed to the Disposition of the Lands of Blandfield (otherwise referred to from time to time as Blandfield) by the Very Reverend Henry Parr Hamilton, sole surviving trustee of the deceased Dr James Hamilton in favour of Robert Latta dated Ninth May Eighteen hundred and fifty three and which plan is docketted and subscribed by Messieurs Hunter Blair and Cowan, Writers to the Signet as agents of the said Very Reverend Henry Parr Hamilton bounded the said house and others on the north west by the public road from Edinburgh to Leith called the Bonnington Road; on the north east by the private road marked Number Five on the said plan; on the south east and south by the walls separating the garden ground and green part of the subjects from the remaining lands of Blandfield (otherwise referred to from time to time as Blandfield) marked Numbers three and nine of said plan; and on the south west and west by the property called Broughton Hall as marked on said plan being part of ALL and WHOLE the lands of Blandfield (otherwise referred to from time to time as Blandfield) and others in the County of Edinburgh being the lands and others particularly described in the Instrument of Sasine in favour of Robert Latta recorded in the New Particular Register of Sasines for the Sheriffdom of Edinburgh etc on the Sixteenth day of May Eighteen hundred and fifty three; But all under exception of (One) those parts of the said three subjects disposed by The City of Edinburgh Council or its predecessors in title or excepted by statute and (Two) the Conveyed Property;

“Service Media” means all drains, sewers, soil pipes, gas supply pipes and flues, mains water supply pipes, mains electric supply cables, telephone and television cables, transmitters and connections and other conducting media and equipment (but specifically excluding CCTV equipment);

“Servitude Area” means the area shaded green on the Plan

PART II: SERVITUDES IMPOSED ON THE RETAINED PROPERTY IN FAVOUR OF THE CONVEYED PROPERTY

The following servitudes are imposed on the Retained Property in favour of the Conveyed Property and shall be exercised in accordance with the Servitude Conditions contained in Part III hereof.

(One)(a) a heritable and irredeemable servitude right of pedestrian and vehicular access (including for heavy vehicles and construction traffic) to and from the Conveyed Property from and to McDonald Road over the Access Road for all necessary purposes in connection with the use and enjoyment of the Conveyed Property and any buildings erected thereon from time to time including for the construction, erection, alteration and/or repair of any buildings erected thereon and fire escape (including drills). (b) Without prejudice to the foregoing generality, the Proprietor of the Conveyed Property shall be permitted to widen the present road lying to the southeast of the Conveyed Property to the full extent of the Access Road (including incorporating pavements, if so desired provided that any such pavements shall be either constructed within the Access Road or within the boundary of the Conveyed Property) at its sole expense and to bring the newly formed Access Road up to such standard as it deems suitable to serve the development of the Conveyed Property and that all at the sole cost of the Proprietor of the Conveyed Property.

(Two) a heritable and irredeemable servitude right to lay and thereafter inspect, maintain, enlarge, repair, empty, renew and replace all Service Media currently serving or required to serve the Conveyed Property in future, for the full beneficial use and enjoyment of the same, under the Access Road provided that the Proprietor of the Conveyed Property shall only be entitled to exercise the rights contained in this Clause with regard to new Service Media in the event that it is not reasonably practicable to lead such Service Media to the Conveyed Property directly from either McDonald Road or Broughton Road.

(Three) all necessary wayleave rights through the Access Road for all existing and future Service Media serving the Conveyed Property.

(Four) in respect that it is recognised that the Proprietor of the Conveyed Property and the Proprietor of the Retained Property may require differing standards of maintenance of the Access Road, the Proprietor of the Conveyed Property shall have a servitude right of access to the Access Road for the purposes of carrying out (with the consent of the Proprietor of the Retained Property which consent shall not be unreasonably withheld or delayed, but which shall take into consideration the preservation of the amenity of the school on the Retained Property) such additional maintenance as the Proprietor of the Conveyed Property may deem necessary or desirable provided that such additional maintenance shall be carried out at the sole cost of the Proprietor of the Conveyed Property. In the event that the Proprietor of the Retained Property fails to meet their obligations under Clause 4 of Part VII of the Schedule, the Proprietor of the Conveyed Property shall be entitled to carry out such maintenance and the costs of doing so will be met by the Proprietor of the Conveyed Property and the Proprietor of the Retained Property in the proportions set out in Clause (Four) of Part VI of the Schedule.

(Five) a heritable and irredeemable servitude right of overhang over the Servitude Area for those parts of the Existing Building, together with any installations (which shall specifically include the metal duct or flue presently affixed to the rear elevation of the Existing Building) and service media attached thereto which, as at the date hereof, encroach on

the airspace of the Servitude Area as also for such future encroachments as are hereinafter provided for.

(Six) a heritable and irredeemable servitude right of pedestrian access over the Servitude Area for all necessary purposes in connection with inspection, maintenance and repair of the Conveyed Property as also inspection, maintenance and repair of those parts of the Existing Building and installations and service media attaching thereto referred to in Clause (Five) of this Part II of the Schedule; Declaring that maintenance shall include the cleaning of windows and repair shall include renewal or replacement, all in so far as permitted by the said Servitude Conditions contained in Part III of the Schedule. Without prejudice to the foregoing generality, the Proprietor of the Conveyed Property shall be entitled to erect scaffolding on the Servitude Area for a period of no longer than twelve months from the date of commencement of erection of same.

(Seven) a heritable and irredeemable servitude right to inspect, maintain, enlarge, repair, empty, renew and replace all Service Media currently serving the Conveyed Property, declaring that repair shall include renewal or replacement.

(Eight) A heritable and irredeemable servitude right to instal and thereafter inspect, maintain, enlarge, repair, empty, renew and replace any future Service Media as may be required for the full beneficial use and enjoyment of the Conveyed Property over the Servitude Area (including installation on the south west wall of the Existing Building so that the same overhang the Servitude Area).

(Nine) all necessary wayleave rights through the Servitude Area for: (i) all existing Service Media serving the Conveyed Property: or (ii) such future Service Media as may be installed in accordance with Clause 8 of this Part II of the Schedule, all as such existing and future Service Media may be renewed or replaced from time to time.

(Ten) During any Construction Phase, a heritable and irredeemable servitude right of vehicular access over the Servitude Area for the purposes of carrying out any development works on the Conveyed Property and, thereafter, a right to bring such equipment onto the Servitude Area (including, but not limited to cherry pickers) as may be required for the ongoing maintenance, repair and renewal of any buildings erected on the Conveyed Property.

(Eleven) A heritable and irredeemable servitude right over the Servitude Area as also any other part of the Retained Property as shall be deemed by the Proprietor of the Conveyed Property acting reasonably to be appropriate in the circumstances (a) of emergency escape in the event of fire and (b) for the conduct of fire escape drills in connection therewith.

(Twelve) The Proprietor of the Conveyed Property shall be entitled to take access to the Retained Subjects for the purposes of removing the existing fence along the southeast side of the Access Road as presently formed and in its place shall erect a suitable permanent fence along the boundary marked XYZ on the Plan. For the avoidance of doubt the said replacement fence shall be the sole property of the Proprietor of the Retained Property.

(Thirteen) Nothing shall prevent the proprietor of the Conveyed Property from sub-dividing the Conveyed Property at any time hereafter and all parts of the Conveyed Property so sub-divided shall have the benefit of the Servitudes and wayleaves contained in this Part II

of the Schedule whether such parts remain under the same ownership or not and whether developed or undeveloped and any increase in the number of properties comprising the Conveyed Property will not be deemed to be an increase in the burden on the Retained Property at common law or otherwise.

PART III: SERVITUDE CONDITIONS AFFECTING SERVITUDES IMPOSED ON
THE RETAINED PROPERTY

The Servitudes contained in Part II shall be exercised by the Proprietor of the Conveyed Property on the following Servitude Conditions.

(One) At no time shall any vehicle be left stationary on the Access Road nor shall there be deposited or left thereon any articles of any description so that same may be kept clear of obstruction at all times. The foregoing provision will not apply during any Construction Phase provided that the Proprietor of the Conveyed Property shall be bound to serve not less than 48 hours' prior written notice on the Proprietor of the Retained Property of the requirement to obstruct the Access Road or deposit any equipment or materials thereon and in any event shall take all reasonable steps to minimise the extent and duration of any such obstruction;

(Two) With regard to the Servitude Right referred to in Clause (Twelve) of Part II of the Schedule, the Proprietor of the Conveyed Property shall erect any substitute fence in a similar style to the existing fence and will do so to the satisfaction of the Proprietor of the Retained Property's Director of Children and Families or such other Officer holding a reasonably comparable position. Furthermore, in so doing the Proprietor of the Conveyed Property shall be obliged either:

- (a) to erect the replacement fence prior to removal of the existing fence; or
- (b) in the event of the existing fence being removed prior to the erection of the replacement fence the Proprietor of the Conveyed Property shall erect a secure temporary barrier along the boundary XYZ prior to or contemporaneous with removal of the existing fence so that at no time shall the boundary between the Conveyed Property and the adjoining nursery building be left unsecured.

(Three) In the exercise of the Servitude Rights contained in Clauses (One)(b), (Two), (Four), (Six), (Seven), (Eight), (Ten), (Eleven) and (Twelve) of Part II of the Schedule, the rights shall be exercised by the Proprietor of the Conveyed Property: (i) on serving not less than 48 hours' prior written notice on the Proprietor of the Retained Property (except in the case of an emergency where no notice shall be required prior to the exercise of such Servitude Rights providing that said notice shall require to be given as soon as reasonably practicable thereafter) it being declared that during the Construction Phase, the Proprietor of the Conveyed Property shall only be required to serve notice on the first occasion on which they propose to take access for the purposes of exercising the rights and shall not be required to serve notice on each occasion where they or their workmen, contractors or others require to take access providing that, in serving said notice, the Proprietor of the Conveyed Property shall require to intimate insofar as is reasonably possible the expected duration of any such access and in the event that it is anticipated by the Proprietor of the Conveyed Property that the duration stated therein shall be exceeded by a period in excess of seven days the Proprietor of the Conveyed Property shall intimate same to the Proprietor of the Retained Property by service of such further notice or notices as is required; (ii) reasonably and so as to cause as little disturbance or inconvenience to the Proprietor of the Retained Property, their tenants or occupiers of the Retained Property; (iii) on making good any damage occasioned to the Retained Property; and (iv) subject to such conditions as the Proprietor of the Retained Property shall impose (acting reasonably) having regard to any special considerations attaching to the presence and functioning of the school on the Retained Property. Declaring that although the exercise of the said Servitude Rights shall include the purpose of cleaning windows this shall be strictly limited to such cleaning programme as may be organised by the factors on behalf

of all the occupants of the Existing Building or such other building erected in substitution therefor and shall be exercised no more frequently than once a month. There is specifically excluded any ad hoc cleaning instructed by or carried out for the benefit of individual occupants, but, for the avoidance of doubt, nothing contained herein will preclude individual occupants from cleaning their windows from within their own properties.

(Four) In the event that the Proprietor of the Conveyed Property requires to renew any installation or Service Media (in accordance with Clauses (Six) and (Seven) of Part II of the Schedule) which presently encroach (or may in future encroach) on the airspace of the Servitude Area the Proprietor of the Conveyed Property shall be entitled to install equipment of a different size and type and in a different position but only with the prior written consent of the Proprietor of the Retained Property (such consent not to be unreasonably withheld or delayed); Declaring that the Proprietor of the Conveyed Property shall first submit plans and specifications of same to the Proprietor of the Retained Property and the Proprietor of the Retained Property shall, in considering whether or not to grant such consent, be entitled to take into consideration any special considerations attaching to the presence of and functioning of the school on the Retained Property. It is specifically provided that the foregoing provisions shall apply to the aforementioned existing metal duct or flue as also any such ducts or flues which may hereafter be installed in terms of Clause (Eight) of Part II of the Schedule. If the Retained Property is no longer being used for the purposes of a school, the foregoing rights shall apply whatever the use of the Conveyed Property. For so long as the Retained Property is being used for the purposes of a school, in the event that use of the Conveyed Property for residential purposes ceases the Proprietor of the Retained Property shall be under no obligation whatsoever to agree to any replacement of the aforementioned metal ducts or flues other than a like for like replacement (in which event their consent will not be unreasonably withheld or delayed). For the avoidance of doubt no satellite dishes or equipment serving a similar purpose nor other such bulky objects (other than scaffolding, which shall be permitted as set out in Clause (Six) of Part II of the Schedule) shall be affixed to the Conveyed Property so as to constitute an encroachment on the Servitude Area.

(Five) In relation to the exercise of the Servitude Rights set out in Clauses (One)(b), (Two), (Four), (Six), (Seven), (Eight), (Ten), (Eleven) and (Twelve) of Part II of the Schedule, the Proprietor of the Conveyed Property shall be obliged to carry out all such work in a good, safe and workmanlike manner and to have due regard to the presence of the school, its amenity and the safety of all persons connected therewith.

(Six) in relation to the exercise of the Servitude Rights set out in Clauses (One)(b), (Two), (Four), (Six), (Seven), (Eight), (Ten), (Eleven) and (Twelve) of Part II of the Schedule, the Proprietor of the Conveyed Property shall require to obtain all necessary statutory consents for the proposed work and shall if required exhibit same to the Proprietor of the Retained Property.

(Seven) In exercising the rights referred to in Clause (Eight) of Part II of the Schedule, the Proprietor of the Conveyed Property shall: (i) use reasonable endeavours to procure that any future Service Media is installed otherwise than on the south west elevation of the Existing Building where economic and practicable, it being declared, however, that the Proprietor of the Conveyed Property will, subject to the provisions of Clause (Four) and Clause (Six) of this Part III of the Schedule, be entitled at all times to comply with any requirements of the planning authority to instal Service Media on this elevation rather than any other elevation of the Existing Building; (ii) use reasonable endeavours not to instal any Service Media over the surface of the south west elevation of the Existing Building

which might be hot or otherwise liable to injure any person. If such Service Media is installed, the Proprietor of the Conveyed Property will take reasonable steps to procure that such Service Media is covered or otherwise insulated or protected so that injury will not be occasioned and will comply with such reasonable health and safety requirements as the Proprietor of the Retained Property may impose; (iii) not be entitled to instal any vents or flues which expel hot or noxious gasses (which expulsion occurs at a height lower than 4 metres above ground level) on the south west elevation of the building; and (iv) not be entitled to install any Service Media on or protruding from the surface of the Servitude Area so that all such Service Media shall require to be led from the Existing Building through the said south west elevation and thereafter over and attached to the surface of said south west elevation.

(Eight) the Proprietor of the Conveyed Property shall be liable to make good any damage caused to the Retained Property and any buildings or equipment erected or situated thereon in the exercise of any of the Servitude Rights contained in Part II of the Schedule and shall also indemnify the Proprietor of the Retained Property against all actions or other proceedings, costs, claims, losses or demands howsoever arising in relation to the exercise of said Servitude Rights.

(Nine) in the exercise of the right to erect scaffolding in accordance with Clause (Six) of Part II of the Schedule the Proprietor of the Conveyed Property shall be obliged to erect and thereafter maintain any scaffolding in a safe and workmanlike condition, adhering to all statutory regulations regarding same, and carry out routine safety checks to same as often as is considered necessary by the Proprietor of the Conveyed Property (acting reasonably) or if requested by the Proprietor of the Retained Property (acting reasonably) which shall specifically include taking into account the prevailing weather conditions from time to time.

(Ten)(a) during any Construction Phase or otherwise in the exercise of the Servitude Rights referred to in Clauses (Six), (Seven), (Eight) and (Ten) of Part II of the Schedule the Proprietor of the Conveyed Property shall be obliged to erect temporary security fencing along the boundary between the Servitude Area and the remainder of the Retained Property so as to preclude access to the Servitude Area from the remainder of the Retained Property, and (b) at all times ensure that all building materials, vehicles and equipment located on either the Access Road or the Servitude Area in so far as same are permitted will be properly secured within the Access Road or Servitude Area as appropriate at the end of each working day and further undertake that no such vehicles or equipment will be left unattended without previously being temporarily disabled.

(Eleven) any Notices required to be served by the Proprietor of the Conveyed Property on the Proprietor of the Retained Property under this Part III of the Schedule shall require to be served on both the Proprietor of the Retained Property's Director of Services of Communities as also the Principal from time of time of the school erected on the Retained Property.

PART IV: SERVITUDE IMPOSED ON THE CONVEYED PROPERTY IN FAVOUR OF
THE RETAINED PROPERTY

There is granted to the Proprietor of the Retained Property:

(One) a heritable and irredeemable servitude right to inspect, maintain, repair and renew all Service Media in, under, through or over the Conveyed Property presently serving the Retained Property

(Two) all necessary wayleave rights in, under, through or over the Conveyed Property for all existing Service Media serving the Retained Property

PART V: SERVITUDE CONDITION AFFECTING THE SERVITUDE IMPOSED ON
THE CONVEYED PROPERTY

In exercising the Servitude Rights contained in Clause (One) of Part IV of the Schedule, the Proprietor of the Retained Property shall be bound:

(One) to serve not less than 48 hours' prior written notice on the Proprietor of the Conveyed Property (except in the case of an emergency where no notice will be required);

(Two) to cause as little disturbance or inconvenience to the Proprietor of the Conveyed Property, their Tenants or other occupiers of the Conveyed Property;

(Three) only exercise the servitude contained in Clause (One) of Part IV of the Schedule where the rights cannot reasonably be carried out from outwith the Conveyed Property;

(Four) to make good any damage caused in the exercise of said Servitude Rights and shall also indemnify the Proprietor of the Conveyed Property against all actions or other proceedings, costs, claims, losses or demands howsoever arising in relation to the exercise of said Servitude Rights; and

(Five) any Notice requiring to be served by the Proprietor of the Retained Property on the Proprietor of the Conveyed Property under this Part V of the Schedule shall require to be served, where the Conveyed Property is in the ownership of [Kingsford Developments Limited] to [REDACTED] 14 Albany Street, Edinburgh EH1 3QB and also by email to [REDACTED]@lettingweb.com (or such other addresses as may be intimated from time to time).

Where the Conveyed Property is no longer in the ownership of the said [Kingsford Developments Limited] the notice will be served to the Conveyed Property or such other address as may be intimated to the Proprietor of the Retained Property from time to time.

PART VI: REAL BURDENS IMPOSED ON THE CONVEYED PROPERTY

The following real burdens are imposed on the Conveyed Property in favour of the Retained Property:

(One) The Proprietor of the Conveyed Property shall be bound to erect a suitable wall with metal railing along the top of same and that along the boundary marked DE on the Plan, which wall and railing shall be in as similar a style as is possible to the wall and railing lying along the boundary marked CD on the Plan and shall be built in a line in continuation thereof and that to the satisfaction of the Proprietor of the Retained Property's Director of Children and Families or such other Officer holding a reasonably comparable position and that within six months of the date of entry hereunder; Declaring further that the said wall and railing shall be built at the sole cost of the Proprietor of the Conveyed Property but shall thereafter be owned mutually by the Proprietor of the Conveyed Property and the Proprietor of the Retained Property and maintained in terms of Clause (Three) of this Part VI of the Schedule;

(Two) The Proprietor of the Conveyed Property will remove the existing fence along the southeast side of the present access road and provide a replacement fence in accordance with Clause (Two) of Part III of the Schedule.

(Three) Following the erection of the wall and railings in terms of Clause (One) of this Part VI of the Schedule the Proprietor of the Conveyed Property will be jointly responsible along with the Proprietor of the Retained Property for maintaining the retaining wall and metal railing lying along the boundary marked CDE on the Plan, the costs thereof being met equally by the Proprietor of the Conveyed Property and the Proprietor of the Retained Property, it being declared however that the Proprietor of the Retained Property shall have the primary responsibility for the instruction of any necessary maintenance and, in the event that they fail to do so to the reasonable satisfaction of the Proprietor of the Conveyed Property, the Proprietor of the Conveyed Property may instruct such maintenance themselves.

(Four) Following the widening of the Access Road in accordance with Clause One of Part II of the Schedule, the Proprietor of the Conveyed Property shall be liable for a twenty percent share of the cost of maintenance of the Access Road but that only so long as (a) the Retained Property is not further developed and (b) so long as the Existing Building remains on the Conveyed Property but that irrespective of whether the use of the Existing Building is residential or commercial. In the event that the Retained Property is further developed the Proprietor of the Conveyed Property will not be liable for any share of the cost of upgrading the Access Road which may be required as a consequence of the development of the Retained Property but should any upgrade be completed by the Proprietor of the Retained Property the Proprietor of the Conveyed Property shall thereafter be liable for a twenty percent share of the cost of maintaining same. In the event that the Existing Building is demolished and the Conveyed Property is redeveloped the cost of maintenance of the Access Road thereafter shall be as agreed between the Proprietor of the Retained Property and the Proprietor of the Conveyed Property or in the event of their failure to agree as determined by a suitably qualified person acting as an expert appointed as agreed between the parties or, if not so agreed, appointed at the request of either of them by, or on behalf of, the President for the time being of the Royal Institution of Chartered Surveyors in Scotland. The expert's decision shall be final and binding upon the parties and his costs will be met equally or as he directs.

(Five) The Proprietor of the Conveyed Property will meet an equal share of the cost of maintaining the boundary fence marked XYZ on the plan.

PART VII: REAL BURDEN IMPOSED ON THE RETAINED PROPERTY

The following real burdens are imposed upon the Retained Property in favour of the Conveyed Property:

(One) The Proprietor of the Retained Property shall not at any time erect any building or structure on the Servitude Area nor shall they obstruct the Servitude Area. The Proprietor of the Retained Property will be responsible for keeping the Servitude Area in good condition so that the Proprietor of the Conveyed Property is able to exercise their Servitude Rights as set out in Part II of the Schedule.

(Two) The Proprietor of the Retained Property shall not obstruct or permit the Access Road to be obstructed and will procure insofar as reasonably practicable that those taking access over the Access Road from time to time exercise any access reasonably and so as to cause the minimum practicable inconvenience to the Proprietor of the Conveyed Property, their tenants or other occupiers of the Conveyed Property.

(Three) Following the erection of the wall and railings in terms of Clause (One) of Part VI of the Schedule the Proprietor of the Retained Property will be jointly responsible along with the Proprietor of the Conveyed Property for maintaining the said retaining wall and metal railing lying along the boundary CDE on the plan, the costs thereof being met equally by the Proprietor of the Conveyed Property and the Proprietor of the Retained Property, it being declared however that the Proprietor of the Retained Property shall have the primary responsibility for the instruction of any necessary maintenance and, in the event that they fail to do so to the reasonable satisfaction of the Proprietor of the Conveyed Property, the Proprietor of the Conveyed Property may instruct such maintenance themselves.

(Four) Following the widening and upgrading of the Access Road in accordance with Clause (One) of Part II of the Schedule the Proprietor of the Retained Property shall be responsible for maintaining the Access Road in no worse condition than the upgraded condition provided always that the costs of such maintenance are met by the Proprietor of the Conveyed Property and the Proprietor of the Retained Property in the proportions set out in Clause (Four) of Part VI of the Schedule.

(Five) Following the erection of a boundary fence in accordance with Clause (Twelve) of Part II of the Schedule the Proprietor of the Retained Property will be responsible for maintaining, repairing and renewing the boundary fence marked XYZ on the Plan the costs thereof being met equally by the Proprietor of the Conveyed Property and the Proprietor of the Retained Property.

DISPOSITION

by

THE CITY OF EDINBURGH COUNCIL

in favour of

[KINGSFORD DEVELOPMENTS
LIMITED]

2013
RSN 12730/

SUBJECTS: 154 McDONALD ROAD
EDINBURGH

HEAD OF LEGAL, RISK and
COMPLIANCE
WAVERLEY COURT, LEVEL 3.1
4 EAST MARKET STREET
EDINBURGH EH8 8BG

42
Part 3
Plan

Part 4

Title Deeds

1. Feu Charter by the Governors of George Heriot's Trust in favour of The School Board of the Burgh of Edinburgh recorded GRS Edinburgh 14/12/1899.
2. Disposition by Ebenezer Erskine Scott Esq. in favour of The School Board of the Burgh of Edinburgh recorded GRS Edinburgh 26/1/1895.
3. Disposition by Captain William Carden Seton in favour of The School Board of the Burgh of Edinburgh recorded GRS Edinburgh 3/2/1894.
4. Disposition by The Very Reverend H.P. Hamilton as Trustee in favour of Robert Latto (unrecorded).
5. Sasine in favour of Robert Latto recorded PRS Edinburgh 16/5/1853.
6. Notice of Title in favour of The City of Edinburgh Council recorded GRS Midlothian 12/3/2004.
7. Disposition by Captain William Carden Seton in favour of the Water of Leith Purification and Sewerage Commissioners recorded GRS Edinburgh 28/11/1893.

Part 5

Letter of Obligation

Date

Our Ref

Your Ref

Dear Sirs

("the Purchaser")

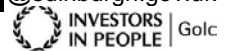
With reference to the settlement of the above transaction today I hereby (1) undertake on behalf of The City of Edinburgh Council (hereinafter referred to as "the Council") to clear the records of any deed, decree or diligence (other than such as may be created by, or against, the Purchaser or have been disclosed to and accepted by, the Purchaser prior to the date of settlement) which may be recorded in the Property or Personal Registers or to which effect may be given in the Land Register in the period from * to + inclusive (or to the earlier date of registration of the Purchaser's interest in the above subjects) which would cause the Keeper to make an entry on, or qualify his indemnity in the Land Certificate to be issued in respect of that interest, and (2) confirm that to the best of the Council's knowledge and belief as at this date the answers to the Questions number 1 to 14 in the draft Form 1 adjusted with you (in so far as these answers relate to the Council or to the Council's interest in the above subjects) are still correct.

I, , one of the Proper Officers of The City of Edinburgh Council sign this Letter as shown below

Signature
Date when signed
Place where signed Edinburgh
Signature of Witness
Name of Witness
Address of Witness Waverley Court, 4 East Market Street, Edinburgh
(* Insert date of certification of Form 10 Report)
(+ Insert date 14 days from and including the date of settlement)

Head of Legal, Risk and Compliance – Carol Campbell

If telephoning please call – [redacted], Solicitor, Tel: **0131-**[redacted], Fax: **0131** [redacted]
Corporate Governance, Real Estate, City of Edinburgh Council, Waverley Court 3:1, 4 East Market Street,
Edinburgh EH8 8BG **Legal Post 6 – Edinburgh 8**
e.mail: [redacted]@edinburgh.gov.uk



Part 6

Schedule of Condition