

City of Edinburgh Council
[address to be confirmed]

Your reference

Our reference

AF//310299/1/
15388086.1

[◆] August 2007

Attention: Gill Lindsay, Solicitor to the Council

Dear Sirs,

EDINBURGH TRAM NETWORK (the "Project")

We refer to our appointment as legal adviser by **tie** Limited (the "**Appointment**") as confirmed by **tie** Limited's letters of 25 November 2002 and 7 March 2003 in connection with the Project.

tie Limited requested on 21 June 2005 that in respect of our work on the Project pursuant to the Appointment we acknowledge a direct duty of care owed to the City of Edinburgh Council ("**CEC**"), as corporate parent entity, such duty of care to be the same as the contractual duty of care we owe to **tie** Limited. We affirmed that duty of care in our letter of 23 June 2005 to **tie** Limited copied to yourselves. We heard no further at that time.

This letter reconfirms that as from 5 December 2003 onwards, DLA Piper Scotland LLP has owed and owes the same contractual duty of care to CEC as owed to **tie** Limited pursuant to Clause G.3.1(a) of the General Conditions governing the Appointment. **We acknowledge CEC as joint client with tie Limited on the basis that:**

1. DLA Piper's primary responsibility has been to advise **tie** Limited and DLA Piper may at all times and for all purposes rely upon **tie**'s instructions given to us under the Appointment as being identical to CEC's instructions as if emanating from CEC itself and as taking into account CEC's requirements, objectives and best interests.
2. DLA Piper remains expressly authorised to receive and seek all instructions (and any clarifications) under the Appointment from **tie** as Project manager and agent for CEC. In the absence of specific written instruction, DLA Piper has not been and is not under obligation to advise CEC officers or members directly, under exception that DLA Piper will brief CEC officers at regular intervals as instructed by **tie** Limited, or as required by CEC.
3. DLA Piper is entitled for all purposes to rely upon (i) the satisfaction and approval of **tie** Limited with, and of our performance of services, delivery of work product for the Project and discharge of the duties of care in accordance with the Appointment and (ii) the presumption as to such satisfaction and approval to date. Under no circumstances shall the existence of the contractual duty of care acknowledged in this letter give rise to CEC having any separate or different recourse, remedies or claims to those available to **tie**

Regulated by the Law Society of Scotland.

A limited liability partnership registered in Scotland (number 300365) which is a law firm and part of DLA Piper, a global organisation.

A list of members is open for inspection at its registered office and principal place of business, Collins House, Rutland Square, Edinburgh, EH1 2AA and at the address at the top of this letter. Partner denotes member of a limited liability partnership.

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Limited by reason of any default by DLA Piper under the terms of the Appointment;

4. The contractual duty of care owed to CEC as joint client may be assigned or transferred by CEC with our prior written consent; and
5. the reciprocal warranties as to duty of care owed to us by **tie's** other Project consultants (financial, legal and technical and public relations) on which we are entitled to rely under the terms of our Appointment remain in full force and effect.

This letter is a formal amendment to our Appointment pursuant to GC7.15 (Entire Appointment) and shall be governed by and construed in accordance with the laws of Scotland.

In order to effect the amendment, please arrange for the enclosed copy to be signed by a duly authorised officer of **tie** Limited and returned to us, for the attention of Andrew Fitchie.

Yours faithfully

DLA PIPER SCOTLAND LLP

We hereby agree and acknowledge the terms of this letter.

.....
Authorised Signatory

For and on behalf of The City of Edinburgh Council
We hereby agree and acknowledge the terms of this letter.

.....
Authorised Signatory
For and on behalf of **tie** Limited

cc: *Matthew Crosse, Project Director, tie Limited*