

David Mackay  
Chairman of the Board  
Transport Edinburgh Limited ("TEL")  
City Chambers  
High Street  
EDINBURGH  
EH1 1YJ

**Your reference**

**Our reference**

AF/LET/310299/6/  
9308939.1

3 April 2006

Dear David

### **EDINBURGH TRAM NETWORK**

This letter is to confirm the continuation (until further written notice) of our mandate for TEL Limited to provide legal advice in connection with aspects of TEL Limited's involvement in the Edinburgh Tram Network (the "ETN").

Our appointment shall be subject to the same terms and conditions upon which we are engaged by **tie** Limited for the ETN. Under those terms and conditions, the rates for our services are subject to annual review on the basis of applicable public sector comparators. We shall invoice **tie** Limited monthly in arrears as has been our existing practice.

With regard to our duty of care, we shall owe no greater or different duty of care to TEL Limited's owner, City of Edinburgh Council ("CEC"), to that duty we owe to TEL Limited itself. Unless explicitly instructed in writing by TEL Limited otherwise, we shall be entitled at all times and without inquiry to rely upon instructions from TEL Limited and its officers as aligned with CEC's overall policy, but interests and commercial objectives for the ETN and as if those instructions emanated from CEC. The above accords with our arrangement with **tie** Limited. Our instructions shall be given by yourself, Willie Gallagher or Neil Renilson.

I confirm that at present I do not see any legal conflict of interest to prevent or hinder DLA Piper representing **tie** Limited and TEL Limited on the basis that under authorisation from CEC the two CEC subsidiaries' business objectives and interests are aligned for the project delivery, integration, operation and maintenance of the ETN. Additionally, we are under a specific duty to avert legal conflicts and to alert **tie** Limited and TEL Limited to any which may or do arise during the provision of our services. There may nevertheless be issues which arise concerning TEL Board directors' individual positions at law on which you would require separate advice.

If this letter is satisfactory, may I ask you to sign and return the enclosed copy of this letter.

Regulated by the Law Society of Scotland.

A limited liability partnership registered in Scotland (number 300365) and part of DLA Piper Rudnick Gray Cary, 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.

UK switchboard  
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We are very pleased to continue to serve the ETN Project in this way and look forward to working with you.

Yours sincerely

**ANDREW FITCHIE**  
**Partner**  
**DLA PIPER RUDNICK GRAY CARY SCOTLAND LLP**

andrew.fitchie@dlapiper.com

c.c. G. Bissett, Finance Director, **tie** Limited