

Karsten Evans
20 Ford street
Swindon
SN1 5EY
Via e-mail

One Glass Wharf
Bristol BS2 0ZX
Tel: +44 (0)117 939 2000
Fax: +44 (0)117 902 4400
email@burgess-salmon.com
www.burgess-salmon.com
DX 7829 Bristol

Direct Line: +44 (0)117 902 2775
tristan.williams@burgess-salmon.com

Our ref: TW03/RO01/31932.4105/WILLI

Your ref:

21 February 2014

When telephoning please ask for: Tristan Williams

Dear Sirs

Property: Plot 1/2 The Mechanics Institute, Swindon
Company: Forefront Estates Limited (Dissolved)

Thank you for your e-mail of 12 February 2014 and we note that this is a difficult and sensitive matter. The following will explain the general position with regard to this unusual area of the law.

BACKGROUND

Following the disclaimer of the Property by the Treasury Solicitor, the Property may be deemed subject to escheat to the Crown at common law. By longstanding convention, properties that are subject to escheat fall to be dealt with by The Crown Estate, for whom this firm acts.

In accordance with legal advice given on previous occasions, The Crown Estate does not propose to take any action which might be construed as an act of management, possession or ownership in relation to the Property, since to do so may incur upon it liabilities with which the Property is, or may become, encumbered. Neither this letter nor any other correspondence passing between us should be construed as such an act. It follows that The Crown Estate will not insure or manage the Property.

POLICY

A disposal of such interest as The Crown Estate may have in the Property to an appropriate person or body is not, however, out of the question.

CONSULTATION

The Crown Estate's policy in situations where property may be deemed subject to escheat is that persons who may have a legitimate interest in the future of the property or who may be adversely affected by its sale should be given the opportunity to participate in its purchase. We would therefore expect to see evidence that appropriate consultation has been carried out prior to any sale, although unanimity of agreement of all consulted parties is not a prerequisite for a sale. We are willing if necessary to discuss with you how consultation should be carried out.

THE PROPERTY

Any disposal would be subject to any mortgages, legal charges or other encumbrances which might exist against the former freehold interest in the Property. Please note that there does appear to be legal charges and equitable charges in favour of Swindon Borough Council (the "Council") referred to on the former freehold titles.

WORK\20697474\v.1

Unless the Council are prepared to release their charges over the Property, then any disposal by The Crown Estate would be subject to the charges. As an alternative for seeking a disposal from The Crown Estate you may wish to consider contacting the Council in order to investigate whether they would be prepared to sell the Property under their power of sale. The reason for this is that a purchase from the Council under a power of sale will be free from all charges and encumbrances registered after the date of their charges which is something that The Crown Estate would be unable to do.

So that we may become clearer about the nature of the Property, would you please let us know if you are aware of any development proposals, planning consents or disputes which might affect the Property, either directly or indirectly?

CONSIDERATION

If we are able to agree a disposal of a freehold then a consideration would be payable of market value (subject to a minimum of £5,000). The purchaser will also be responsible for:

- (a) A minimum contribution to The Crown Estate's legal costs, in a straightforward case, of £2,500 plus VAT and reasonable disbursements; and
- (b) The costs of any market appraisal which is required, estimated at between £1,000 and £2,000 plus VAT in a straightforward case.

FEES

Before we can undertake any further work, The Crown Estate requires you to make a contribution to its legal costs in relation to this matter, which is limited to £750 plus VAT at this stage. We will notify you if the limit is exceeded and a further contribution is required.

Please note:

- (a) The contribution is required whether or not there is a disposal of the Property; and
- (b) Costs will still be payable if you do not wish to proceed or if, in our opinion, you are not an appropriate purchaser, or if you are unable to or will not proceed to completion within a reasonable period of time. We may also recover costs if new facts emerge or circumstances occur which might affect any proposed disposal.

Please send us a cheque in the sum of £750 plus VAT (i.e. £900.00) made payable to "Burgess Salmon LLP", or contact us for bank details if you wish to pay such sum electronically along with a certified copy of your passport along with a recent utility invoice.

We will not be able to progress matters further until we are in receipt of cleared funds.

We trust that this letter has been helpful to explain this complex and arcane area of our property and constitutional law, and the constraints upon The Crown Estate in dealing with properties that may be subject to escheat.

Yours faithfully

BURGESS SALMON LLP