

GILLIAN FAZAN & CO

SOLICITORS AND COMMISSIONERS FOR OATHS

E.F.T. 1959

John Richardson
Tumbles Holidays Pension Scheme
11 Larchwood Glade
Camberley Surrey
GU15 3UW
Email: john@red38.co.uk

Date: 01 December 2009

Our ref: TB/ID/Richardson

Your ref: John Richardson

Bank House
45-47 Fore Street
Kingsbridge
Devon TQ7 1PG
Tel: 01548 856663
Fax: 01548 857071
DX: 81404 Kingsbridge
email: tony@fazan.co.uk

Dear John,

Re: Purchase of Dayers Fine Food Sandwich/Bistro Business and Grant of Sub-Lease

Further to our conversation on 22 February, thank you for instruction us to act for you regarding your purchase of the above business

I estimate that our fees for acting for you on the business purchase shall be £950 + VAT (£166.25) total £1,116.25 plus £25.00 plus VAT (£4.37) per bank telegraphic transfer made on your behalf- we envisage one. Total= £ 1145.62

Regarding the grant of a sublease, we estimate that our fees for this shall be £400.00 plus VAT (£70.00) Total £470.00).

Anticipated disbursements:

1. Local Authority	£ 100.00
2. Company search	£ 17.63

Regulated by The Solicitors Regulation Authority ID 464288

Principal: Tony Bayagbona LL.M Consultants: Gillian Fazan BA Ray Checkley LL.B
Also at: 6 Beacon Terrace Torquay TQ1 2BH Tel: 01803 290331 Fax: 01548 857071

3. Land Registry Official Priority search	£	6.00
4. Land registration fee	£	80.00
5. Stamp duty Land Tax	£	<u>Nil</u>
Total	£	203.63

Total plus our fees= £1,819.25

I attach our Terms and Conditions for you to sign as current trustee of the scheme and return to us as soon as possible.

I shall be handling this matter, however, if you are dissatisfied with our service in any way please contact Gillian Fazan at our above Torquay branch on 01803 290331. Should the case-handler change we shall inform you of this and the name and status of your new case handler.

In order that we may start work on this please let me have the following:

1.Details of the how you shall organise for the transfer of the premises licence and the steps you are taking to obtain a personal licence.

2.As a sub-lease is to be granted soon after completion, a second trustee should be appointed for this purchase. Although a sole trustee may be permitted under the scheme rules, at least 2 trustees are required to give the tenant a valid receipt for any capital monies paid to the trust as consideration for a disposition of an interest in land.

3. Details of the sub tenant. I understand that the sub tenant company has not been set up yet. Please give me details of this and the connection of this new company to the scheme or the sponsoring employer.

4. A full set of warranties will be sought from the seller, however at this early stage is there anything in particular that you wish me to obtain assurances of in relation to the business being bought.

5. Will you be keeping the name of the business in addition to the goodwill?

6.What are the seller's plans. Does it plan to continue trading in a similar capacity elsewhere. We usually insist on a restraint of trade clause preventing the seller from carrying out a similar trade within say a 20 mile radius of the postcode of the business. Would you like this widened?

7.Have you seen a set of accounts for the business going back 3 years? Please let me have the dates of these accounts so that i can seek warranties about their accuracy.

8.Liabilities of the business. Presumably this is a straight sale in which all business debts and liabilities prior to completion shall remain with the seller?

9. It is proposed by the agents that stock is valued between seller and buyer usually a short period after completion. Should agreement not be reached then an independent valuer will be brought in. Unless you are able to agree a favourable increase in the purchase price on an all inclusive basis, I would advise that this is the fairest way to proceed.

10.It is vital that you seek early advice from your accountant about how best to apportion the various items sold in this transaction (name, goodwill, assets, leasehold, intellectual property rights, website etc). For example a higher figure for the assets is usually beneficial to a buyer to be set against profits in the trading year. This does not always suit the seller and therefore although we will need some guidance on what suits you best.

11.Will you be keeping all the staff. Current legislation makes it very difficult to buy a business without staff and any severance of employee contracts of employment in the lead up to a sale will almost automatically make it an unfair dismissal on your part. I note that the director of the selling company works as the head chef. Will he be the only casualty of the change of ownership?

12.Are there any other representations about the business (except those contained in the agent's particulars) and this transaction that have been made to you by the seller or agent that I should know about. As a land transaction is involved, it is vital that all terms be contained in one written contract. Therefore please let me know are such terms so they can be added to the contract.

13.Would you like the price to include a period of training for you at the business? This is also a time to be introduced to some of the seller's important customers.

14. You should consider having the physical building surveyed to ensure that there are no physical defects that may cause you to have to move premises. In relation to the other searches listed above, we have not included an environmental or water search. We will leave this to you to carry out and stress that negative factors may be present that may devalue the value of the premises. However, bearing in mind the shortness of the lease (albeit with security of tenure), we do not always carry out usual conveyancing searches. We will try to deal with these as much as possible in our enquiries but it is for you to decide if you would nevertheless like them carried out.

I hope to provide you with a speedy and efficient service and look forward to hearing from you.

Yours sincerely,

tony bayagbona

Tony Bayagbona