From: Reynolds, Steve Sent: 07 January 2008 19:53

To: Ayres, Greg
Subject: Ayres or Ayres, Greg

Greg

I trust you have picked up my voicemail, and let me repeat my apologies for having to miss the morning session of the SMT meeting. Life here is even more hectic than usual with tie still maintaining the target date for Infraco signature of 28 Jan - at least the line in the sand should be firmly drawn then.

Following the all-day session last Thursday with tie I have pulled together over the weekend the attached, which is not quite complete but which isolates the key problems as I see them in trying to apply the contract in the circumstances of an incomplete design. I've also appended tie's attempt at a novation plan, much of which we have no interest in accepting. The sensible course of action which everyone except tie understands is to delay novation to the point where the design is nearer 100% complete - to be fair even Gallagher sees this as a potential option. The likes of Crosse and Gilbert though are being more blinkered - driven largely by their desire to be clear of Edinburgh as soon as the BBS ink is dry on the deal

So, that leaves me in a position of likely refusing to sign up if for no other reason than the proposed amendment brought about by new clauses 3.28, 3.29, and 3.30. (Page 14 of my document)

We can talk more tomorrow and I've also got Chris Atkins lined up for support.

Meanwhile the preparation of the additional claim for prolongation is also well advanced - tomorrow's early meeting with Halcrow is to refine their input following which I think we'll be looking at a quantification of the order of £650k - £700k for submission this week.

See you tomorrow afternoon

All the best - Steve

Novation Planning.doc