From: Alastair Maclean

**Sent:** 15 November 2010 20:54

To: Jim Inch Subject: Trams

Jim

A consultation took place today with tie's QC, Richard Keen.

The message was that tie should not terminate and instead they should seek to enforce the contract against Infraco including through use of clause 80.20 and if necessary in court by specific implement

Sadly these options were something that we raised 2-4 months ago - it was a much easier and less risky way of testing in court whether or not Infraco was in breach and strategically it goes against what we can only assume is Infraco's preferred option (ie to force us into terminating at great cost). tie's preferred strategy was instead to aim for termination.

I am sure that tie will be digesting that advice in earnest now but we will need to wait to see if their strategy will change.

One thing I can say at this stage is that I am more sure (rather than less) that my concerns of last week are real.

I know that Tom will be re-arranging this afternoon's meeting and we may want to discuss this latest development further beforehand.

Richard for obvious reasons does not want this information going any further than the consultation at this stage so possibly we can just keep this to you, Tom and Donald for the time being. If you feel appropriate can you let Tom and Donald know? I think Richard is seeing Tom tomorrow.

Α