

DRAFT

Date 6 April 2010

Your ref

Our ref

WITHOUT PREJUDICE

Dear

Thank you for your further letter dated 1 April. As previously advised in my letter dated 24 March the Council does not intend to intervene in relation to the disputed issues between the contracting parties. Whilst there is a guarantee in place, I do not anticipate that this will need to be relied upon and such matters should rightfully be dealt with between tie Limited and the Consortium. The Council is fully prepared to intervene in relation to the guarantee should that unlikely event occur.

Again I will ask Richard Jeffrey to respond direct on the matters you have highlighted. With regard to the specific issue which you raise about security, the Council is satisfied that it has sufficient funding to meet its obligations under the present contractual arrangements.

Once again I would reiterate my disappointment that the project is not proceeding to schedule and that additional costs are being needlessly incurred. As with all matters relating to this contract I would be grateful if you would respect the confidential nature of this letter.

Yours sincerely