From: Horsley, Chris Sent: 12 March 2009 20:27

Subject: EDINBURGH TRAMS: CONTRACTUAL DISPUTE - Update

Colin,

I have received some additional feedback which may be useful to add, and have fed these comments into the attached version of the document which was sent earlier this afternoon. The points are:

- 1. In respect of re-procurement and re-mobilisation timescales, note that where a replacement civils contractor is already working on the project in some capacity, this previous knowledge could be expected to significantly reduce the time which the process requires.
- 2. In terms of entitlement to terminate, it is worth saying that we would not have expected to see clear upfront material breaches and 'own goals' of a severity which would entitle **tie** to terminate. The wider issue around the whole course of Infraco behaviour is the key current point here, and more specifics in terms of breaches will be investigated, and potentially any case for termination bolstered, through the DRP process and otherwise as matters continue.



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I trust these points assist.

Kind regards

Chris

Christopher Horsley Associate (English Qualified) DLA Piper UK LLP

T: +44 (F: +44 (M: +44