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Our Ref: ULE90130-SW-LET-02239

20th October 2010

tie Limited CityPoint, 1st Floor 65 Haymarket Terrace Edinburgh EH12 5HD

Attention: Damian Sharp

Dear Damian

Post Novation Incentivisation – Application for Payment

Further to your letter INF CORR 5500/SC, dated 07th July 2010, SDS can advise that the remaining IFC that is within SDS' power to deliver, W18 Murrayfield Tram Stop Retaining Walls, was issued to BSC on 02nd August 2010.

The remaining original IFC deliverables:

- Section 3a, 3b & 3c Roads are held up because CEC have de-prioritised the Approvals comments, and have not responded to the TAA submissions.
- The Gogarburn Tramstop was held up by the RBS design Change, which has only recently been resolved. SDS have now gained Prior Approval for this tram Stop but cannot IFC it until the other Tram Stop related changes are instructed, with regard to Branding, TVM's etc.
- The Picardy Place Tramstop is on hold pending instruction on the redesign of Picardy Place generally.

The above issues are outwith SDS control, and therefore, reasonably, should not hold up incentivation payment for the IFC's that have been delivered.

We therefore enclose for your scrutiny and agreement SDS Application for Payment for Incentivisation in accordance with clause 8.8 of the Novation Agreement.

If you have any queries, please contact our Kate Shudall.

Yours sincerely

Jason Chandler Project Manager Parsons Brinckerhoff

encl. Application for Payment

cc. Alan Dolan Kate Shudall Martin Foerder (BSC)

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