

Your ref:
Our ref: JWS/TMC
dd: 01223 559224
df: 01223 559119
e: James.squier@bidwells.co.uk
Date: 29 April 2010

BIDWELLS

P R Miles Esq
East Northdown House
Margate
Kent
CT9 3TS

Trumpington Road
Cambridge CB2 9LD
t: 01223 841841
f: 01223 845150
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Dear Mr Miles

**Without Prejudice
Save as to Costs**

Disputed Matters with Mr Friend

I have been instructed by Mr Friend to propose comprehensive terms to you with the objective of settling the matters in dispute between you.

I have inspected the property and have considered the options available to the parties, including the proposed Mediation and, if this is not successful, a Court Hearing, together with the substantial potential costs for each party.

As a result of this review, I attach proposed Heads of Terms for the settlement of the Disputed Matters between you, Mr Friend and the "Friend Family".

If you would like to meet to review these proposals please let me know.

The objectives of this initiative are as follows:-

- 1 To settle the matters in dispute by compromise acceptable to all parties.
- 2 To avoid further costs and, in particular, the substantial costs of further litigation.
- 3 To provide the possibility for all parties to benefit if Planning Permission can be gained for the residential development of The Orchard.
- 4 To simplify the means of making contributions to the cost of repairs to East Northdown Farm Lane, which will also limit the potential cost contribution for your property.

My client reserves the right to present to the Court this letter and the Heads of Terms offering settlement in making a representation on the allocation of Costs, following a Hearing.

Please note that the terms of the proposed settlement are to be agreed as a whole and not in isolation.

EG Property Adviser of the Year 2009 - Eastern Region.

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INVESTORS
IN PEOPLE

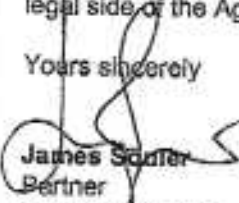


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I look forward to hearing from you in due course. I should mention that if the costs of the Mediation are to be avoided a settlement will need to be agreed quite quickly, in order to allow time for solicitors to deal with the legal side of the Agreement.

Yours sincerely


James Scuter
Partner
Land & Business

Enc.

Copy: W Friend Esq
D Hall Esq - Furley Page

Heads of Terms

East Northdown Farm

1 Parties

1.1 Peter R Miles "P Miles"

East Northdown House
Margate
Kent
CT9 3TS

Telephone: 01843 862571
Email: miles@hotmail.co.uk

Solicitor: TBA

1.2 William Friend "W Friend"

East Northdown Farm
Margate
Kent
CT9 3TS

Telephone: 01843 862060 (M) 0771 4241668
Email: Friend.northdown@btinternet.com

Solicitor: Furley Page
39 St. Margaret's Street
Canterbury
Kent
CT1 2 TX

Attention: David Hall
Telephone: 01227 863167

Agent

J W Squier
Bidwells
Trumpington Road
Cambridge
CB2 9LD

Telephone: 01223 559224
Email: jsquier@bidwells.co.uk

1.3 Daughters of J. I. H. Friend "Friend family"**Legal Owners in Common of Orchard Land**

- a) Mrs Sheilagh Stanton
- b) Lady Creasey
- c) Executors Mrs J Courtney-Hood
- e) Lady Crofton

Solicitor: Furley Page
39 St. Margaret's Street
Canterbury
Kent
CT1 2 TX

Attention: David Hall
Telephone: 01227 863167

2 The Properties**2.1 "The Orchard"**

The Orchard, East Northdown Farm Lane, as shown coloured pink on the attached plan.

2.2 "East Northdown Farm Lane"

The road marked in brown on the plan.

2.3 "East Northdown House"

The property coloured blue on the plan.

2.4 "East Northdown Farm"

The property East Northdown Farm of which, for information purposes, is the area coloured green on the plan.

3 The Matters in Dispute

- 3.1 The legal ownership of East Northdown Farm Lane.
- 3.2 The repairing obligations and means of recovery of cost of repairs to East Northdown Farm Lane by W Friend, assuming W Friend to be the legal owner of East Northdown Farm Lane.
- 3.3 The right, if any, of P Miles to complete a purchase of The Orchard for which documents have been presented but the relevance of which are disputed, and the terms of the transaction.
- 3.4 The right, if any, for the owner of The Orchard to gain access for the current use of this land and, possibly, for a change of use, over East Northdown Farm Lane, to include any necessary breach of the flint wall to make access by this means practicable.
- 3.5 The costs of the Dispute.

4 The Agreement for the Settlement of all Disputed Matters, Subject to Contract

- 4.1 Friend Family to transfer the freehold Title of The Orchard to P Miles for the price of £30,000, and
- 4.2 an agreement that 50% of any future net proceeds, being the sale price less direct marketing costs plus the costs of obtaining Planning Permission, from a sale of part or all of The Orchard for residential development are paid to W Friend being the freehold owner of East Northdown Farm Lane, and a covenant by P Miles to ensure that any transfer of The Orchard, if then undeveloped, carries with it to a future owner the provisions of the Agreement and
- 4.3 an Agreement by P Miles and W Friend to co-operate to achieve Planning Permission for the residential development of The Orchard and P Miles, at his cost, will make best endeavours to obtain such permission unless enquiries indicate that an application for Planning Permission will not succeed and, in the event of a disagreement on this point, the matter will be referred to a surveyor appointed by the President of the RICS acting as an Expert whose decision will be final and

- 4.4 P Miles is to co-operate with W Friend and the Land Registry to achieve Registration of the Freehold of East Northdown Farm Lane in W Friend's name, subject to existing Rights of Way for all properties including East Northdown House, and subject to East Northdown House contributing 25% of the yearly Council Tax charge for the property towards the repair costs of East Northdown Farm Lane when demanded each year in April, in substitution for the existing covenant, and
- 4.5 W Friend will agree to grant a purchaser or purchasers of The Orchard a right of way for all purposes and at all times to a point of access approved by the Local Planning Authority direct from East Northdown Farm Lane to The Orchard across the existing common boundary (which will require the demolition of part of the flint wall) subject to a contribution of 25% of the yearly Council Tax charge for the property each year in April towards the repair costs of East Northdown Farm Lane for each residential unit, and
- 4.6 P Miles will agree that he will not object to planning applications relating to East Northdown Farm which comply with the extant Local Development Framework or otherwise meets with a Planning Officer's recommendation for approval and will otherwise make no adverse representations to Public Authorities over legitimate, established or approved uses of East Northdown Farm for the 20 year period to April 2030.

The Parties to complete an Agreement to make effective all matters listed 4.1 to 4.6.

5 Costs

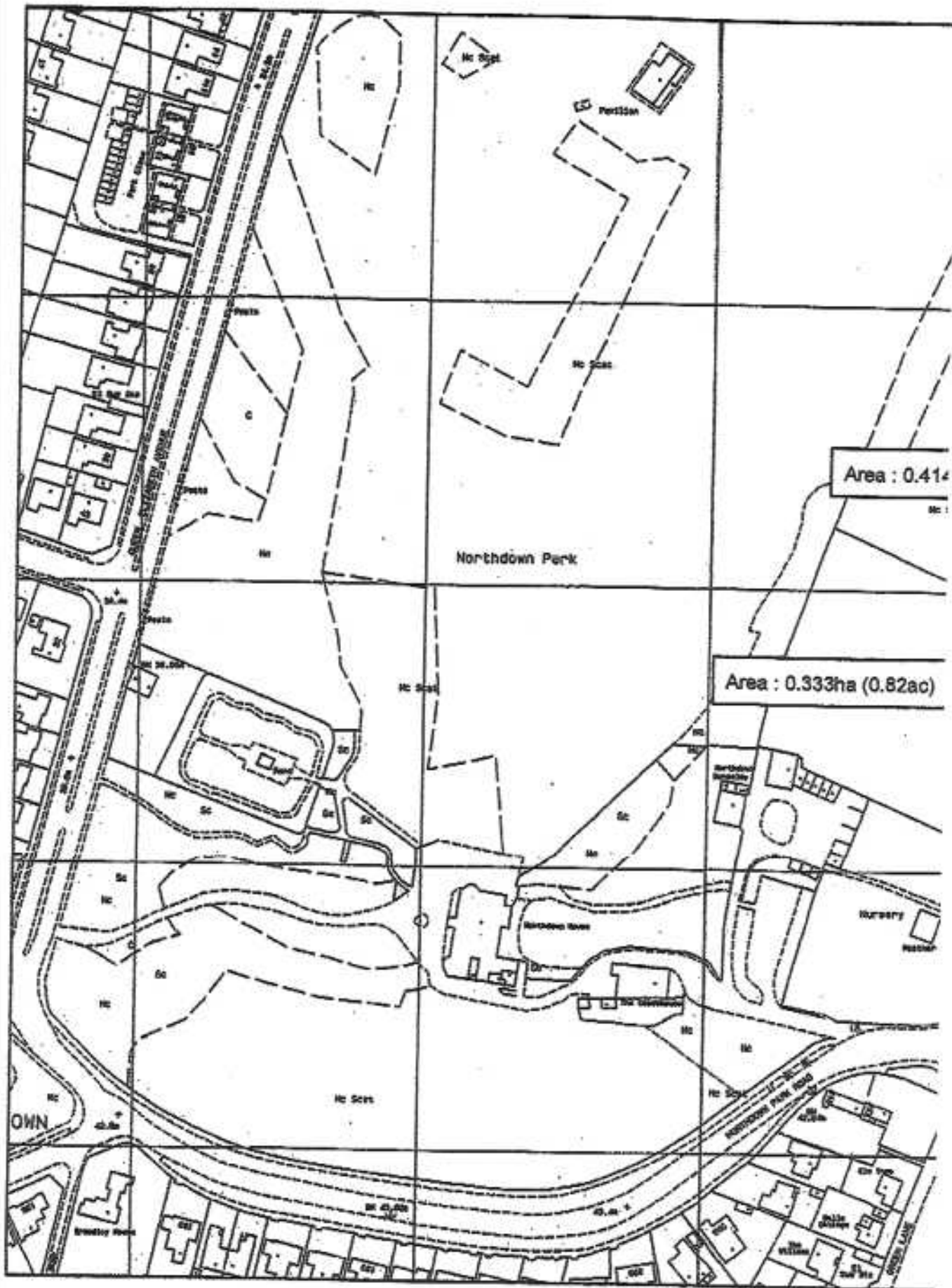
Each party will bear its own costs in concluding the necessary legal documents to effect this Agreement and no claim will be made between the parties for costs incurred to date relating to the Matters in Dispute.

6 The Legal Dispute

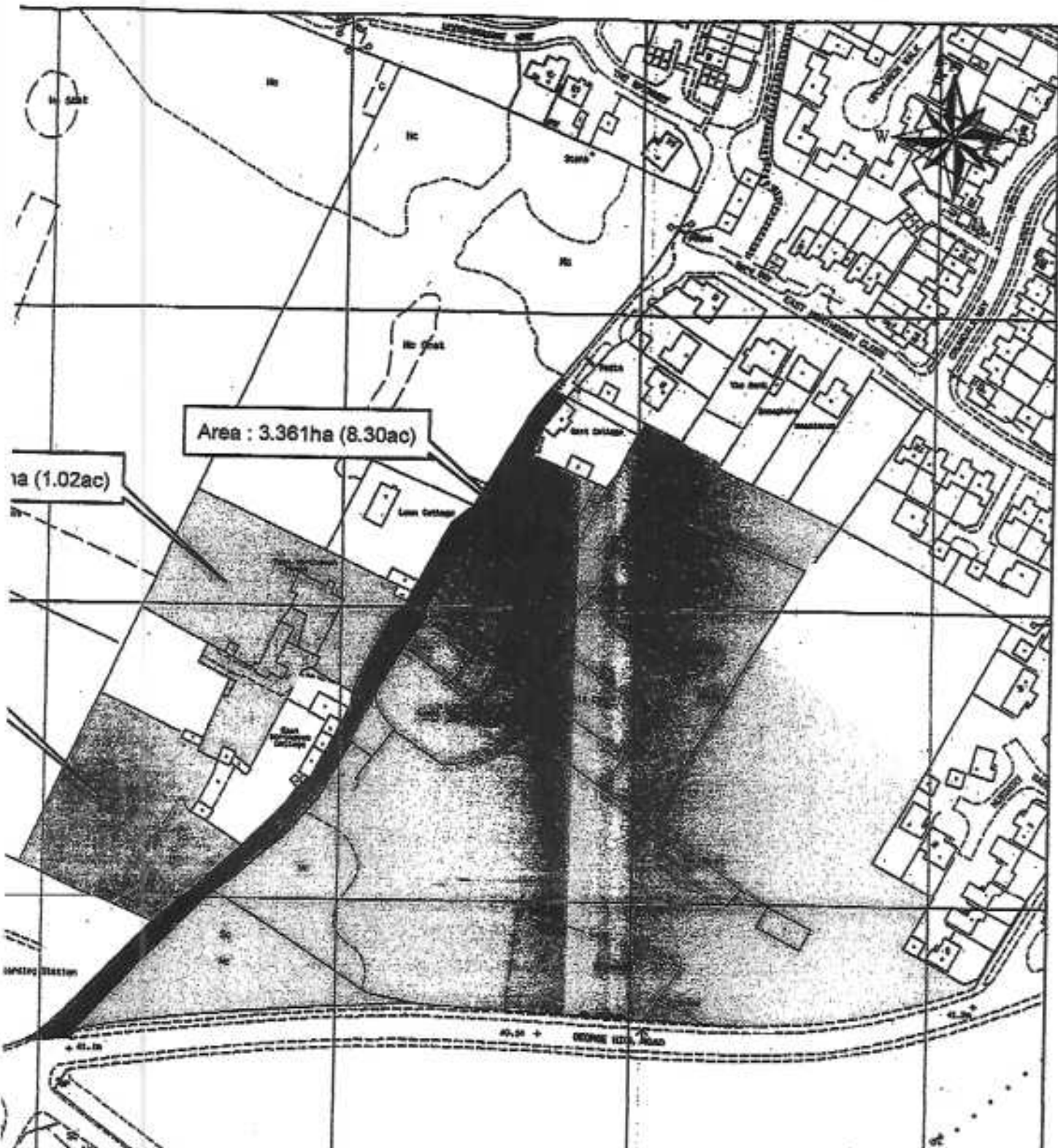
The Parties will agree to instruct solicitors forthwith to prepare a Contract giving effect to these Heads of Terms and the settlement of the Matters in Dispute between the parties, to include the cancellation of the Mediation Hearing programmed for Friday 11 June.

Bidwells
27 April 2010

East Northdown



vn Farm, Margate



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