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By email only

12 July 2013

Dear Sirs

WITHOUT PREJUDICE SAVE AS TO COSTS
Your Client: Mr Peter Miles
Our Client: Mr William Offley Hinchliffe Friend

You have indicated to us from time to time that your client would be interested in a global settlement of all matters in dispute between him and Mr Friend and we have in mind your letter to us of 3 July 2013.

We therefore propose the following:

A. In relation to the Adjudication Proceedings

1. The grant of a right of way over the Road and Blue Land for the Paddock in accordance with the 1982 contract, it being agreed that the right includes keeping up to four horses (in total) on the Orchard and Paddock combined.
2. The grant of a right of way over the Road and Blue Land for the Orchard and only whilst in the common ownership of East Northdown House for the purposes of keeping and stabling of not more than four horses on the Orchard and the Paddock (combined) and for no other purpose save for that associated with the use of East Northdown House as a private residence in single occupation.
3. As to the gate, we do not understand why your client will not agree to a provision that he be required to **leave** the gate in a position where it will not cause an obstruction to others. The act of opening or closing the gate would not be caught by this provision. We feel confident that appropriate wording can be agreed in relation to this item.
4. Our client is not prepared to agree a trade or business use for storage of building materials, but storage on the Paddock in accordance with the 1982 contract and transfer of November 1982 would be acceptable.

5. There is no need for a road maintenance agreement as relevant provisions exist in the Transfer of 9 November 1982. All we are suggesting is that there be modernisation of the wording of the transfer in the absence of rateable value. For convenience it is suggested that your client pay one quarter of the annual sum payable to Thanet District Council in respect of Council Tax For East Northdown House and for Mockett Cottage (ignoring any reliefs or concessions applied to the occupiers of those properties).
6. The Deed of 29 October 1982 grants your client (as a successor in title to East Northdown House) express rights to use, empty, repair and maintain the cess pool and drain. Access can be obtained via the House to the adjoining land of Mr Goodall who has acknowledged in his statement the existing right, albeit the fact it has never been exercised.
7. Our client's costs in relation to your client's application in this matter alone stand at £80,390 including counsel's brief fees and Vat (which is not recoverable by our client). Our client will accept the sum of £70,000 towards those costs which must be paid as a condition of settlement and within 14 days of agreement being reached on terms. For the avoidance of doubt the agreement is the conclusion of this settlement and is not the time when the wording of the proposed deed of easement in the next paragraph is ultimately finalised.
8. If agreement is reached on the above in principle, terms will also need to be agreed for the drafting of an appropriate deed of easement. A Consent Order will need to provide for, say, 21 days to draft the deed, a further 14 days for amendments from yourselves, and terms to be agreed with 7 days thereafter and if not either party may apply to the Tribunal for final determination of the terms of the deed and directions for execution. Your client must be liable for all additional costs arising.

B. In relation to the Nuisance Proceedings

9. Your client discontinue his proceedings and our client will not seek payment of his costs, each party bear their own costs.

C. All other Claims made or capable of being brought

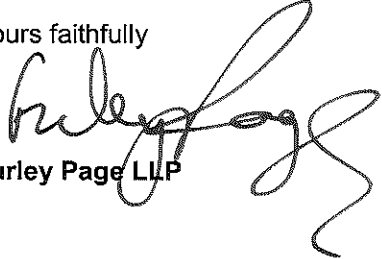
10. This agreement is to be in full and final settlement of any and all claims which the parties have against the other, whether presently the subject of proceedings or otherwise. Further, for the avoidance of doubt, the parties hereby waive all rights they may have to bring any further proceedings against the other party in relation to any matter known or which should with reasonable enquiry have been known to that party as at the date of this agreement. Further, the agreement precludes the bringing of any claim as may presently exist against a party to these proceedings by a third party, which may at a future date be assigned to one of the parties, their nominee or any other entity or person over which they influence or control.
11. This offer is a separate offer to our earlier offer made today and is capable of acceptance. The earlier offer also remains open for acceptance. However, if the Applicant rejects or makes a counter offer in relation to one offer alone, then the other offer shall be deemed to be withdrawn at that point and thereafter will be incapable of acceptance.

We remain prepared to attempt to reach a consensus, but are mindful of the lack of time remaining before trial, and therefore, would prefer to concentrate efforts on either a global settlement, or a settlement of the present action, but not both.

Finally, this offer will be deemed withdrawn at 10.00am in the absence of acceptance or counter offer being received

We look forward to your early response once you have taken instructions from your client.

Yours faithfully


Furley Page LLP