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Date 1 March 2007

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***WITHOUT PREJUDICE
SUBJECT TO CONTRACT***

Dear Mr MacLachlan

CAMBRIDGE PRESERVATION SOCIETY – EA BIN BROOK FLOOD ALLEVIATION SCHEME

I am pleased to confirm that following some extensive discussions with the Cambridge Preservation Society in conjunction with the Environment Agency and Halcrow, the following Heads of Terms are put forward by the Society in order to facilitate the requirement for a flood alleviation scheme on their land at Coton. The Society have given this a great deal of thought and in putting forward these Heads of Terms they are prepared to assist by the following:-

1. The Society have agreed to forgo their claim for land loss associated with the land outlined in red and blue on your plans, which is the area required to construct the bunds for the scheme, and also an additional area of land which will not be farmable. The total area amounts to 6.45 hectares, which we have valued at circa £75,000.
2. The Society are prepared to use their in-house landscaping design and works for landscape design, and also to plant the wetland area, which is likely to total circa. £20,000.

The above contribution by the Cambridge Preservation Society therefore is in the order of £95,000, which they very much hope enables the scheme to proceed as proposed. The Society clearly sees that there are benefits in the establishment of a wetland area and it is on this basis that these favourable terms are proposed.

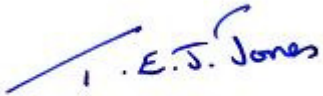
Inevitably there will be loss incurred through the farming operation and we have based the compensation on the Environment Agency's formula. The details of the claim are therefore set out in clause 3, i.e. total compensation of circa. £90,000, plus the Cambridge Preservation Society's fees (such as legal and land agent fees) in connection with this transfer.

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In accordance with a request from our clients, a copy of this letter, together with the Heads of Terms, have been sent directly to Steve Peck (Environment Agency Project Manager) and Graham Boakes (Lead Engineer).

If you have any queries, please let me know.

Yours sincerely

A handwritten signature in blue ink that reads "T.E.J. Jones". The signature is written in a cursive style with a long horizontal stroke at the beginning.

T E J JONES FRICS

Partner

For and on behalf of Carter Jonas LLP

cc S Peck Esq
G Boakes Esq
Carolin Gohler – Cambridge Preservation Society