

IN THE DISTRICT COURT OF COLOMBO

HOTEL DEVELOPERS (LANKA) LTD.,
Colombo Hilton Sports Complex,
Echelon Square,
Lotus Road,
Colombo 1.

PLAINTIFF

Case No : 15322/MR

Vs

NIHAL SRI AMERESEKERE,
No. 167/4, Sri Vipulasena Mawatha,
Colombo 10.

DEFENDANT

WHEREAS the Plaintiff and the Defendant in this Case had entered into a Settlement Agreement dated 28.6.1995 filed of record in this Case, a true copy of which is annexed marked "X" hereto

AND WHEREAS in pursuance thereof, it was intimated to Your Honour's Court, that as per the aforesaid Settlement Agreement, this matter had been referred to Mediation

AND WHEREAS the Plaintiff filed Affidavit dated 19.6.2000 before the Mediator, inter-alia, stating that the Interim Injunction in D.C. Colombo Case No. 5095/Spl and subsequent Order in Court of Appeal Revision Application No. 721/98 prevented the Plaintiff from giving effect to the aforesaid separate Settlement Agreement marked "X", since it was referred to in the Settlement Agreements Nos. 1, 2, 3 and 4, also dated 28.6.1995, put in issue in the aforesaid D.C. Colombo Case No. 5095/Spl

AND WHEREAS by the aforesaid Affidavit dated 19.6.2000 the Plaintiff had, inter-alia, also declared and affirmed in the final paragraph of the said Affidavit, that the Plaintiff had fulfilled all its obligations as set out in Clause 1 of the aforesaid separate Settlement Agreement marked "X" hereto

AND WHEREAS the aforesaid Settlement Agreement marked "X" hereto at Clause 1 thereof had stated as follows:

"Hotel Developers (Lanka) Ltd. shall and will revoke the proxy given to Mr. Hussain Ahamed, Attorney-at-Law, to act as the Registered Attorney representing the Company in D.C. Colombo Action No. 15322/MR instituted against Mr. Nihal Sri Ameresekere and have the said Action promptly withdrawn."

AND WHEREAS the Supreme Court by its Order dated 16.12.1999 in S.C. (Spl) Leave to Appeal Application Nos. 120/99 and 121/99 granted Leave to Appeal against the aforesaid Court of Appeal Order in CA Revision No. 721/98

AND WHEREAS when the aforesaid Appeal came up before the Supreme Court, His Lordship the Chief Justice suggested that the Hon. Attorney General intervenes to bring about a Settlement and the same was confirmed on 18.6.2001 before His Lordship the Chief Justice and is now to be mentioned in the Supreme Court on 19.10.2001

AND WHEREAS consequent to the aforesaid, the Defendant and his Counsel have had discussions with the Hon. Attorney General and before His Lordship the Chief Justice, at which discussions, it was confirmed and agreed that the matter of this Case would also be taken up as a part and parcel of the aforesaid proposed Settlement, inasmuch as the Plaintiff had stated as aforesaid

AND WHEREAS it is also respectfully brought to the attention of Your Honour's Court, that Interrogatories served on the Plaintiff on 15.3.1995 had remained unanswered and on 15.6.1995, the then Chairman & Managing Director of the Plaintiff filed Affidavit, without the approval of the Plaintiff, inter-alia, stating that the Plaintiff is not bound to answer the Interrogatories

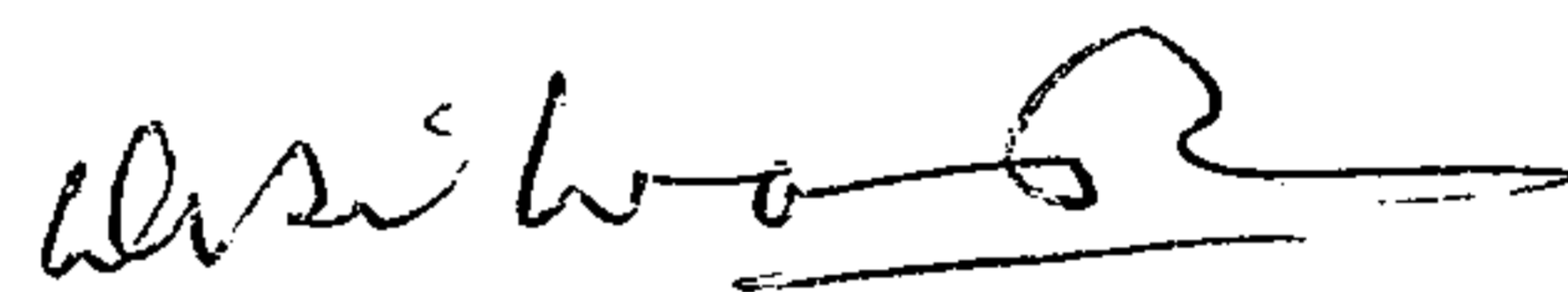
AND WHEREAS thereafter on 28.6.1995 the said Chairman & Managing Director of the Plaintiff was removed and among other aforesaid Settlement Agreements Nos. 1, 2, 3 and 4, the aforesaid separate Settlement Agreement marked "X" hereto was entered into

AND WHEREAS on 18.8.1995 Your Honour's Court fixing Inquiry into the aforesaid matter of not answering Interrogatories, the parties filed Written Submissions on 29.2.1996, the Order in respect of which is pending

AND NOW WHEREFORE for the foregoing reasons, the Defendant respectfully Moves that this Case be taken off the Trial Roll of 31.7.2001 and be called on a date suitable to Your Honour's Court after 19.10.2001, to report the position of the Settlement discussions being had, inter-alia, also in regard to this Case before the Hon. Attorney General as aforesaid.

We further Move that Counsel be permitted to support this Motion on 31.7.2001.

Colombo, 20th day of July 2001



Attorney-at-Law for the Defendant

Copy of this Motion having
been sent by Registered Post
to the Registered Attorney-at-
Law for the Plaintiff, the
Registered Postal Article
Receipt is attached hereto



Attorney-at-Law for the Defendant

TRUE COPY

De Silva
SETTLEMENT AGREEMENT

DE SILVA & PERERA
Attorneys-at-law & Notaries Public
34/64, 65 & 1/49, Dew Law Centre, D.C. COLOMBO ACTION NO. 15322/MR
SAN SEBASTIAN HILL
COLOMBO - 12.

WHEREAS Settlement Agreements have been entered into for the settlement and withdrawal of D.C. Colombo Actions Numbered 3155/Spl., and 3231/Spl., by and between the relevant Parties thereto

AND WHEREAS as per Clause 3 (ii) (i) of the Settlement Agreement No. 4, D.C. Colombo Action No. 15322/MR, filed by Hotel Developers (Lanka) Ltd., against Nihal Sri Ameresekere shall and will have to be withdrawn and settled

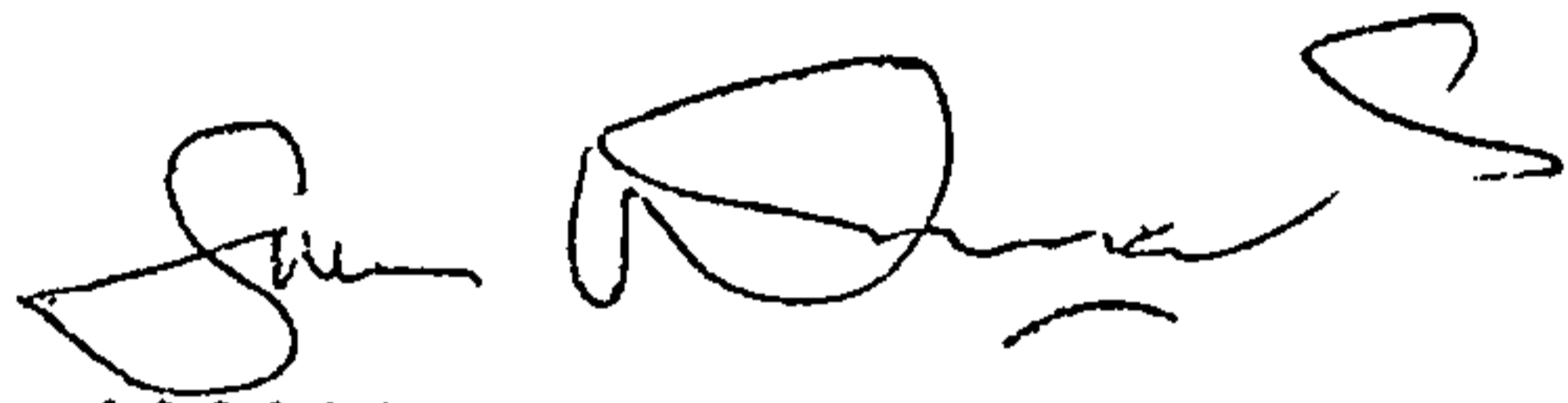
THEREFORE it is agreed by and between HOTEL DEVELOPERS (LANKA) LTD., and NIHAL SRINATH AMERESEKERE as follows;

1. Hotel Developers (Lanka) Ltd., shall and will;
 - i. revoke the proxy given to Mr. Hussain Ahamed, Attorney-at-Law, to act as the Registered Attorney representing the Company in D.C. Colombo Action No. 15322/MR instituted against Mr. Nihal Sri Ameresekere and have the said Action promptly withdrawn.
 - ii. tender a Letter of explanation and apology to Mr. Ameresekere for the aforesaid baseless and mala-fide Action instituted against him.
 - iii. tender a Letter of explanation and apology to Mr. Ameresekere for having caused baseless and malicious complaints to have been made to the Institute of Chartered Accountants of Sri Lanka and the Institute of Chartered Management Accountants of U.K., by Mr. John Wilson, Attorney-at-Law, acting for and on behalf of Hotel Developers (Lanka) Ltd.
 - iv. forward Letters of explanation to the Institute of Chartered Accountants of Sri Lanka and the Institute of Chartered Management Accountants of U.K., regarding the aforesaid complaints, with copies to Mr. John Wilson, the said Attorney-at-Law.
 - v. forward Letters of explanation to the persons to whom the Chairman & Managing Director of Hotel Developers (Lanka) Ltd., had forwarded Letters maliciously defaming Mr. Ameresekere.
 - vi. consider the Claim in Reconvention made by Mr. Ameresekere in the said D.C. Colombo Action No. 15322/MR and further damages that accrue to him, arising from the said baseless and malicious complaints made to the aforesaid professional institutions of which Mr. Ameresekere is a Fellow Member and also arising from the said Letters that have been forwarded by the Chairman & Managing Director of Hotel Developers (Lanka) Ltd., to Her Excellency the President, Hon. Ministers and other Officials.
 - vii. consider taking appropriate action against Mr. Cornel L. Perera, Chairman & Managing Director of Hotel Developers (Lanka) Ltd. and any other Director/s, who was/were responsible for the aforesaid baseless and malicious actions against Mr. Ameresekere.

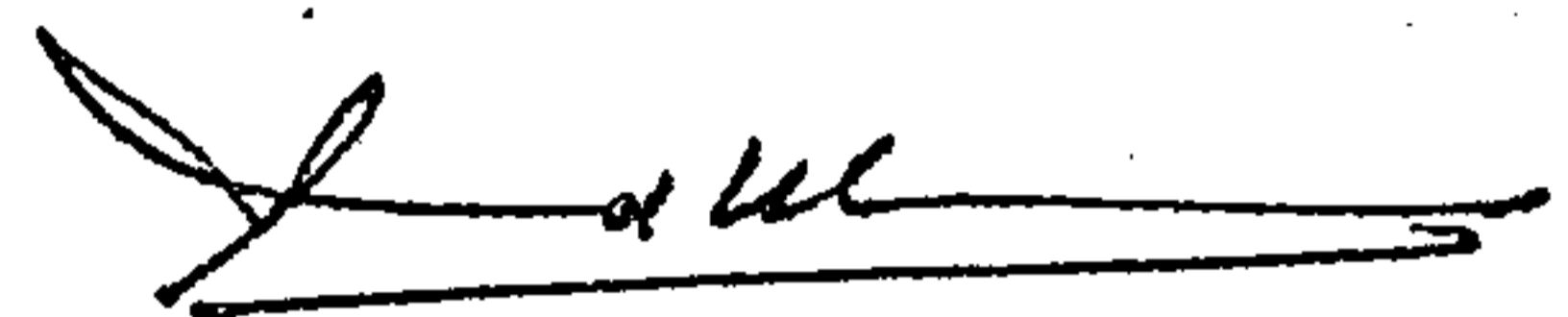
De Silva
Perera

2. Upon the due performance, observance and fulfilment of the aforesaid terms and conditions, in consideration thereof, Mr. Nihal Sri Amersekere shall and will not proceed against Hotel Developers (Lanka) Ltd., in relation to any of the aforementioned matters.
3. Mr. Nihal Sri Amersekere, however, reserves the right to proceed against any of the Directors of Hotel Developers (Lanka) Ltd., and/or any Companies that they represent/represented and/or the Secretaries and/or the Counsel of Hotel Developers (Lanka) Ltd., and/or any other connected person/s in connection with any of the aforementioned matters.

This 28th day of June 1995.



.....
DIRECTOR
HOTEL DEVELOPERS (LANKA) LTD



.....
NIHAL SRINATH AMERSEKERE

WITNESSES

1. *Lilawani Amersekere*
2. *[Signature]*



.....
DIRECTOR
HOTEL DEVELOPERS (LANKA) LTD

WITNESSES

1.

2..