

F. J. & G. DE SARAM

ATTORNEYS - AT - LAW
AND NOTARIES PUBLIC
(COMMENCED 1841)

PARTNERS:

G.S. HERAT - GUNARATNE
U.L. KADURUGAMUWA
M.I.M. JAAFER
S. SUNTHERALINGAM
V.W. WIJAYATILAKE
S. WIJAYASURIYA
T. JAYASURIYA

TELEGRAPHIC ADDRESS: { "SMARASED"
OR COLOMBO
"DESARAMS"

TELEPHONE : 327414 - 15, 326636 & 447737

E-mail : fj&gdesaram@eureka.lk

TELEX : 21682 DESARAM CE

TELEFAX : 449482 & 347731

OUR REF : HG:MJ:SA

YOUR REF :

Head Office
2nd Floor,
State Bank of India Bldg.
31 2/1, Mudalige Mawatha
P. O. Box No. 212
Colombo 1

17th December, 1999.

REGISTERED POST

Walter Laduwahetti Esq.,
141/2, Vajira Road,
COLOMBO - 4.

Dear Sir,

HOTEL DEVELOPERS [LANKA] LIMITED (HDL)
MEDIATION WITH MR. NIHAL SRI AMERASEKERA, DIRECTOR, HDL

Our clients, Hotel Developers (Lanka) Limited, has nominated you, with the concurrence of Mr. Nihal Sri Ameresekere, (a Director) to act as Mediator on the under-noted matters.

The following are the terms of reference, which has been agreed to between the parties;

1. To determine the question as to quantum of compensation payable to Mr. Nihal Sri Ameresekere by Hotel Developers (Lanka) Ltd, on account of the baseless and malicious action bearing D.C. Colombo Case No.15322/MR being instituted against Mr. Ameresekere by Hotel Developers (Lanka) Ltd.
2. To determine the question as to quantum of further damages that have accrued to Mr. Nihal Sri Ameresekere in view of the baseless and malicious complaints made to the Institute of Chartered Accountants, Sri Lanka, and the Institute of Chartered Management Accountants, United Kingdom by Mr. John Wilson, Attorney-at-Law, acting for and on behalf Hotel Developers (Lanka) Ltd, and the letters forwarded by the then Chairman and Managing Director of Hotel Developers (Lanka) Ltd, Mr. C. L. Perera to Her Excellency the President, Hon. Ministers and other Officials.

Vide - Settlement Agreement dated 28th June, 1995 and the Board Minutes of 28th June, 1995 - (a copy of the Settlement Agreement is annexed).

We request you to hold a preliminary discussion with all parties and decide on the procedure to be followed.

Mr./

HEAD OFFICE

2nd Floor, State Bank of India Bldg.,
31 2/1, Mudalige Mawatha,
Colombo 1

Phone: 327414 - 5, 326636 & 447737

E-mail: fj&gdesaram@eureka.lk

Fax: 449482 & 347731

CORPORATE LAW OFFICE

216, De Saram Place,
Colombo 10

Phone: 074 718200 (4lines)

075 334096, 677864

E-mail: fjsaram@sri.lanka.net

Fax: 074 718220, 677863

INTELLECTUAL PROPERTY LAW OFFICE

3/3, Havelock Road,
Colombo 5

Phone: 597240

Fax: 597240

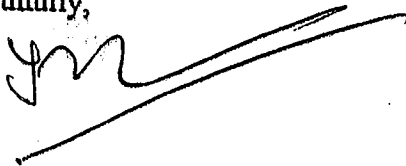
17th December, 1999.

Walter Laduwahetti Esq.,

Mr. I. S. De Silva, Attorney-at-Law and ourselves, as Lawyers to Hotel Developers (Lanka) Limited, will assist you in this matter.

We shall be glad to hear from you at your earliest convenience.

Yours faithfully,



Encl:

c.c.to:

1. Daya Liyanage Esq.,
Chairman,
Hotel Developers (Lanka) Limited,
C/o. Colombo Hilton,
Echelon Square,
Lotus Road,
COLOMBO - 1.
2. Nihal S. Ameresekere Esq.,
Director,
Hotel Developers (Lanka) Ltd.,
167/4, Sri Vipulasena Mawatha,
COLOMBO - 10.
3. I. S. De Silva Esq.,
Attorney-at-Law,
48, 1st Lane,
Gothami Road,
COLOMBO - 8.

12 JAN 2000

HG:NS

10th January 2000

Walter Ladduwahetty Esqr.,
141/2, Vajira Road,
COLOMBO 5.

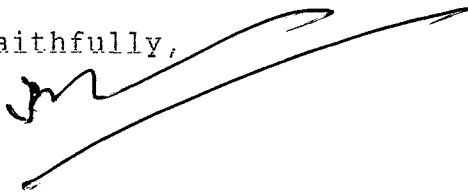
Dear Sir,

HOTEL DEVELOPERS (LANKA) LTD
MEDIATION WITH MR. NIHAL SRI AMERASEKERA, DIRECTOR HDL

We refer to our letter dated 4th January 2000 and the telephone conversation we had with you today.

We confirm that the preliminary discussion (with your agreement) has now been fixed on Wednesday the 26th January 2000 at 6.00 p.m. The venue is I.C.L.P. Arbitration Centre at Taj Samudra Hotel.

Yours faithfully,



- c.c. to:
1. I.S. de Silva Esqr., Attorney-at-Law,
48, 1st Lane, Gothami Road, COLOMBO 8.
 2. K. Kanag-Isvaran Esqr., President's Counsel,
104, Isipathana Mawatha, COLOMBO 5.
 3. Daya Liyanage Esqr., Chairman,
Hotel Developers (Lanka) Ltd.,
C/o Colombo Hilton, Echelon Square,
Lotus Road, COLOMBO 1.
 4. Nihal S. Amerasekera Esqr., ✓
167/4, Sri Vipulasena Mawatha, COLOMBO 10.