

Department for
Transport

M40 Trains Limited
The Chiltern Railway Company Limited
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Our ref: RCHLTN 12/1/3

15 December 2006

Attention: The Managing Director of each of the above

Dear Sir/Madam

**NOTICE PURSUANT TO SECTION 55(6) OF THE RAILWAYS ACT 1993 (THE
"ACT") AS AMENDED**

The Strategic Rail Authority, M40 Trains Limited and the Chiltern Railway Company Limited entered into a franchise agreement (the "Franchise Agreement") on 1st March 2002 pursuant to Section 23(1) of the Railways Act 1993 and in respect of those passenger services operated by the Chiltern Railway Company Limited (the "Franchise Operator").

Pursuant to a transfer scheme made under Section 1(2) and Schedule 2 of the Railways Act 2005, the property, rights and liabilities of the Strategic Rail Authority used exclusively or primarily in or for the purposes of the Designated Undertaking (as defined by the transfer scheme) were transferred to the Secretary of State for Transport (the "Secretary of State") on 22 July 2005.

Words and expressions defined in the Franchise Agreement have the same meaning when used herein unless the context otherwise implies.

By letter dated 13 September 2006, the Franchise Operator was notified by the Secretary of State that it had contravened Clause 10.1 of the Franchise Agreement (the "Relevant Clause") by failing to apply for a Minor Closure or seeking the Department for Transport's consent prior to closing the second entrance to platform two at Birmingham Moor Street Station.

The Franchise Operator is taking the following steps in order to secure compliance with the Relevant Clause:

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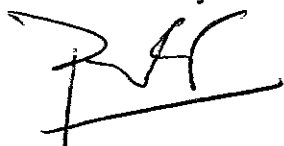
The Franchise Operator has agreed to re-open the relevant station entrance by 29 September 2006.

The Secretary of State, in accordance with Section 55(5B)(a) of the Act is satisfied, having regard to the above-mentioned step, that the Franchise Operator is for the time being, taking appropriate steps for the purposes of securing compliance with the Relevant Clause.

The above being the case, the Secretary of State hereby gives the Franchise Operator notice as required under Section 55(6)(a) of the Act, that no provisional or final order shall be made in relation to the contravention.

Please note that a copy of this letter shall be placed on the Department for Transport's public register as required by Section 73(2)(e) of the Act.

Yours faithfully

A handwritten signature in black ink, appearing to be 'P. Rodgers', written over a horizontal line.

Paul Rodgers
For and on behalf of The Secretary of State