

APPLETON & ASSOCIATES

INTERNATIONAL LAWYERS

Toronto Washington DC

Confidential

August 5, 2008

By Fax

Meg Kinnear
Senior General Counsel and Director General
Trade Law Bureau
125 Sussex Drive
Ottawa, Ontario K1A 0G2

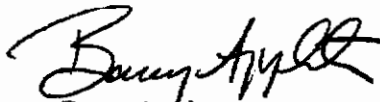
Dear Ms. Kinnear:

Re: NAFTA Investor-State Claim of members of the Clayton family and Bilcon of Delaware Inc.

We understand that today is your first day back in the office since your summer vacation. We are writing to you further to our letter of June 19th responding to your letter of June 18th regarding the timing of the Notice of Arbitration in this NAFTA claim.

As set out in our earlier letter, we take note of your observations. We do not believe that there has been any untimely filing in this claim. However, in the interests of avoiding unnecessary preliminary action, we are prepared to agree to your proposal with respect to modifying the effective date of the deposit of the Notice of Arbitration to June 17, 2008.

Yours very truly,


Barry Appleton
Counsel for the Investor