

Mr. David Mackay
tie Limited
Citypoint Offices
65 Haymarket Terrace
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Edinburgh Tram Project
Your letter of 23rd August 2010

Bilfinger Berger
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Dear Mr. Mackay,

I write in response to your letter dated 23rd August 2010.

We have now received your counter proposal for "Project Carlisle". We are going through it with your "Project Carlisle" Team to make sure there is clear, mutual understanding. In the meantime, I cannot comment.

The matter of Preliminaries will be put, by ourselves, for Dispute Resolution.

Your offer to provide a copy of the On-street schedule you refer to is appreciated. I will arrange that our Site Team obtains this from yourselves.

I am aware of the other issues you mention and they are being addressed appropriately by the Site Team.

Mr. Mackay, in light of the obviously increasing project cost we have raised our concern on adequate funds for tie to be able to meet all its final contractual payment obligations; not doubting tie's own intention to meet its payment obligations.

In closing, I suggest we now must see the development of Project Carlisle before further exchanges.

Yours sincerely,

Bilfinger Berger Ingenieurbau GmbH

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Joachim Enenkel

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