

ARTICLE XVI

Annex 2C, paragraph 6 of the SLA 2006 shall be deleted and replaced by the following:

“6. The United States understands that Canada or its agent shall purchase from the Escrow Importers the rights to the amount of cash deposits stated in USCBP records and accrued interest for the Covered Entries. The purchase price **** paid to an Escrow Importer shall not exceed the amount of cash deposits and accrued interest on its Covered Entries on the purchase date less the amounts directed to the accounts referenced in paragraph 4. Canada or its agent may make payments in installments in respect of these purchases. Each Escrow Importer in the Agreements of Purchase and Sale shall irrevocably direct Canada or its agent to pay a portion of each installment to the referenced accounts in paragraph 4 in an amount that is proportionate to \$US 1 billion divided by the total amount of cash deposits to be refunded to all Importers of Record and the interest accrued as of the Effective Date. Payment of any such portion shall be made on the same day as the installment is paid to the Escrow Importer.

In particular, Canada or its agent shall ensure that the majority of the amount owing to the account referenced in paragraph 4(a) is paid within 8 weeks of the Effective Date provided that, if a longer timeframe is necessary, payments to the account referenced in paragraph 4(a) shall be made as soon as possible and no later than the same date as payments to the Escrow Importers. Furthermore, to the extent permissible under the terms of the Agreements of Purchase and Sale and in light of the fact that the accounts specified in paragraphs 4(b) and (c) will require additional time to be created, payment of all monies due to the account referenced in paragraph 4(a) shall be completed in advance of payments to the accounts referenced in paragraphs 4(b) and (c).

If, for any reason, the 8 week timeframe needs to be extended, the Parties shall consult regarding the extension of the timeframe required. Such consultations shall take place within 8 weeks of the Effective Date. A Party may not initiate dispute settlement proceedings under Article XIV regarding the extension of the above-mentioned timeframes.