
LIL PROJECT FINANCE AGREEMENT

AMONG

**THE TORONTO-DOMINION BANK,
as Collateral Agent**

AND

**BNY TRUST COMPANY OF CANADA,
as IT Trustee of
LIL CONSTRUCTION PROJECT TRUST,
as a GAA Finance Party**

AND

**LABRADOR - ISLAND LINK LIMITED PARTNERSHIP,
as an Obligor**

AND

**LABRADOR - ISLAND LINK OPERATING CORPORATION,
as an Obligor**

DATED AS OF NOVEMBER 29, 2013

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LIL PROJECT FINANCE AGREEMENT is made as of November 29, 2013

AMONG: **THE TORONTO-DOMINION BANK**, as Collateral Agent

AND: **BNY TRUST COMPANY OF CANADA**, as IT Trustee of **LIL CONSTRUCTION PROJECT TRUST**, as a GAA Finance Party

AND: **LABRADOR - ISLAND LINK LIMITED PARTNERSHIP**, acting by its general partner, **LABRADOR - ISLAND LINK GENERAL PARTNER CORPORATION**, as an Obligor

AND: **LABRADOR - ISLAND LINK OPERATING CORPORATION**, as an Obligor

WITNESSETH THAT:

WHEREAS pursuant to the terms of the Commitment Letter, the Lead Arranger has provided covenants and undertakings in favour of the Funding Vehicle including to purchase all the FV Bonds issued by the Funding Vehicle from time to time pursuant to the MTI and to market the sale and issuance thereof, the whole as contemplated therein;

WHEREAS the Funding Vehicle intends to borrow funds pursuant to the Funding Transaction Documents by issuing FV Bonds from time to time pursuant to the MTI for the sole purpose of lending those funds to the Intermediary Trust pursuant to the IT Project Finance Documents and the Intermediary Trust will then onlend all the funds it borrows from the Funding Vehicle to the Partnership pursuant to this Agreement so that the Partnership may finance, in part, the Project Costs;

WHEREAS pursuant to and in accordance with the provisions of the Collateral Agency Agreement the Collateral Agent has agreed to perform the various LIL Project Financing Duties;

NOW THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration given by each of the parties hereto, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1

INTERPRETATION

1.1 Definitions and Interpretation

The capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them from time to time in the master definitions agreement dated the date hererof entered into among, *inter alia*, the Collateral Agent, the Lead Arranger, Canada, the Funding Vehicle, the Intermediary Trust and the Credit Parties (the "**Master Definitions Agreement**"). The rules of interpretation set forth in Article 1 of the Master Definitions Agreement apply to this Agreement as if at length recited herein.

1.2 Recitals

The recitals of this Agreement shall form an integral part hereof, as if at length recited herein.

1.3 Headings, etc

The division of this Agreement into recitals, Articles, Sections, subsections, Schedules, paragraphs, subparagraphs and clauses and the insertion of headings and titles are for the convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "**LIL Project Finance Agreement**", "**this LIL Project Finance Agreement**", "**this Agreement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions refer to this Agreement and not to any particular recital, Article, Section, subsection, Schedule, paragraph, subparagraph, clause or other portion of this Agreement.

1.4 Severability

If any provision of this Agreement is determined pursuant to a final judgment to be invalid, illegal or unenforceable in any jurisdiction, the parties hereto agree to the fullest extent they may effectively do so that (i) the validity, legality and enforceability in every other jurisdiction of such provision shall not in any way be affected or impaired thereby and (ii) the validity, legality and enforceability in such jurisdiction of the remaining provisions hereof shall not in any way be affected or impaired thereby. With the consent of the other parties hereto, the Collateral Agent and such other parties hereto shall change this Agreement to replace any invalid or unenforceable provision contained in this Agreement with a valid and enforceable provision which has the commercial effect as close as possible to that of the invalid and unenforceable provision, to the extent permitted by Applicable Law.

1.5 References to Acts of the Trustees

For greater certainty, where any reference is made in this Agreement to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or

right of, a discharge or release to be provided by, a Proceeding to be taken by or against, or a covenant, representation or warranty by or with respect to (a) the Intermediary Trust; or (b) the IT Trustee, such reference shall be construed and applied for all purposes as if it referred to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by a Proceeding to be taken by or against, or a covenant, representation or warranty by or with respect to the IT Trustee as trustee of the Intermediary Trust. It is hereby acknowledged and agreed that, subject to the IT Declaration of Trust, the IT Trustee may appoint any Person to manage any of the Assets of the Intermediary Trust, respectively, and to appoint any agent to transact any business on behalf of the Intermediary Trust, respectively, and therefore, any acts to be performed by the IT Trustee may be performed by any such Person or agent.

1.6 **Governing Law**

This Agreement will be construed in accordance with the Laws of NL and the federal Laws of Canada applicable therein and will be treated in all respects as a NL contract. All Proceedings arising hereunder shall be determined exclusively by a court of competent jurisdiction in NL, subject to any right of appeal to the Supreme Court of Canada and the parties hereby attorn to the jurisdiction of such courts.

1.7 **Schedules**

The following are the Schedules attached to this Agreement and deemed to be part thereof:

Schedule "A"	LIL Payment Demand
Schedule "B"	Material Project Documents and Authorizations
Schedule "C"	Applicable Laws
Schedule "D"	Environment
Schedule "E"	Sources and Uses of Funds
Schedule "F"	Litigation
Schedule "G"	Corporate Structure and Location of Assets
Schedule "H"	Aboriginal Matters
Schedule "I"	IE Certificate
Schedule "J"	Operating Report
Schedule "K"	Construction Report
Schedule "L"	Commissioning Certificate
Schedule "M"	Commissioning Confirmation
Schedule "N"	Distribution Certificate
Schedule "O"	Final Funding Request

Schedule "P"	Funding Request
Schedule "Q"	Independent Engineer's Confirmation
Schedule "R"	LIL Compliance Certificate
Schedule "S"	LIL Draw Request
Schedule "T"	Minimum DSRA Requirement
Schedule "U"	Project Budget
Schedule "V"	Project Schedules
Schedule "W"	Prepayment Notices
Schedule "X"	WCR Release and Equity Funding Notice
Schedule "Y"	Sinking Fund Payment
Schedule "Z"	Sinking Fund Investments
Schedule "AA"	Basis of Design
Schedule "BB"	Base Equity Commitment
Schedule "CC"	Funding Request Supporting Documentation

1.8 **Time of the Essence**

Time shall in all respects be of the essence of this Agreement.

ARTICLE 2

LIL CONSTRUCTION FACILITY

2.1 **Grant of LIL Construction Facility**

The Intermediary Trust agrees, upon the terms and subject to the conditions of this Agreement, to lend to the Partnership an amount of up to but not exceeding, in the aggregate, the LIL Construction Facility which shall be available in three tranches, namely Tranche A, Tranche B and Tranche C.

2.2 **Purpose**

All Advances under the LIL Construction Facility shall be used by the Partnership exclusively for the purpose of financing the Project Costs.

2.3 **Facility Limit**

2.3.1 As of the Closing Date, the aggregate amount of the LIL Construction Facility is CDN\$2,400,000,000, divided as follows as amongst the three Tranches: **(i)** an amount equal to the amount of the FV Bond – Series A will be available as Tranche A; **(ii)** an amount equal to the amount of the FV Bond – Series B will be

available as Tranche B; and (iii) an amount equal to the amount of the FV Bond – Series C will be available as Tranche C.

2.3.2 Where under any of the terms hereof the LIL Construction Facility and any Tranche thereof is cancelled, reduced or terminated, same may not subsequently be increased, any such cancellation, reduction or termination thereof being permanent.

2.4 **Nature and Availability**

2.4.1 The LIL Construction Facility is available on a non-revolving basis such that the Partnership may not reborrow the whole or any part of any Advance previously repaid, any such repayment automatically reducing the LIL Construction Facility (and, rateably, each Tranche) by an amount equal to the amount repaid.

2.4.2 The LIL Construction Facility is available in Canadian Dollars only.

2.4.3 LIL Drawdowns under the LIL Construction Facility may only be made during the Construction Period.

2.5 **Borrowing Procedures**

In order to obtain a LIL Drawdown on any LIL Drawdown Date hereunder, the Partnership must deliver to the Collateral Agent a LIL Draw Request at the latest by 10:00 a.m., NL standard time, concurrently with the Funding Request, or Final Funding Request, as the case may be, relating to the proposed LIL Drawdown Date. Any LIL Drawdown shall be apportioned rateably amongst each of the Tranches. Once delivered, no LIL Draw Request may subsequently be revoked or withdrawn by the Partnership.

2.6 **Repayments**

The Partnership hereby agrees to repay on the:

2.6.1 Tranche A Maturity Date, the sum of (a) the entire amount of the Tranche A Construction Loan outstanding on such date, and (b) accrued and unpaid interest, fees and other amounts and interest on arrears of interest, fees and other amounts, in all cases, relating to Tranche A, accrued and unpaid up to, but excluding, the Tranche A Maturity Date;

2.6.2 Tranche B Maturity Date, the sum of (a) the entire amount of the Tranche B Construction Loan outstanding on such date, and (b) accrued and unpaid interest, fees and other amounts and interest on arrears of interest, fees and other amounts, in all cases, relating to Tranche B, accrued and unpaid up to, but excluding, the Tranche B Maturity Date; and

2.6.3 Tranche C Maturity Date, the sum of (a) the entire amount of the Tranche C Construction Loan outstanding on such date, and (b) accrued and unpaid interest, fees and other amounts and interest on arrears of interest, fees and other amounts,

in all cases, relating to Tranche C, accrued and unpaid up to, but excluding, the Tranche C Maturity Date.

2.7 **Voluntary Prepayments**

- 2.7.1 The Partnership may voluntarily prepay at any time the whole (and the whole only) of the LIL Loan by paying to the Collateral Agent, for the account of the Intermediary Trust, and after the Assignment to the Funding Vehicle, before 1:00 p.m., NL standard time, on the LIL Voluntary Prepayment Date an amount equal to the sum of (i) the aggregate principal amount of the LIL Construction Loan; (ii) accrued and unpaid (a) interest on such principal amount, and (b) LIL Stand-By Fee, in an aggregate amount which, together, shall be equal to the aggregate amount of interest accrued on the FV Bonds which will be payable on the FV Bond Redemption Date; and (iii) the LIL Make-Whole Amount.
- 2.7.2 The Partnership shall issue a LIL Voluntary Prepayment Notice at the latest by 10:00 a.m., NL standard time, at least 35 days prior to the proposed LIL Voluntary Prepayment Date. Once delivered, no LIL Voluntary Prepayment Notice may be revoked or withdrawn by the Partnership.
- 2.7.3 Upon a LIL Voluntary Prepayment Notice having been so given, the LIL Loan will thereupon be due and payable in an amount equal to that set forth in subsection 2.7.1 on the LIL Voluntary Prepayment Date, in the same manner and with the same effect as if such date were the maturity date of the LIL Loan, anything herein to the contrary notwithstanding, and from and after such LIL Voluntary Prepayment, if the moneys necessary to prepay the LIL Loan are paid as herein provided, the LIL Loan will not be considered outstanding hereunder and interest and Stand-By Fee in respect of the LIL Construction Facility will cease.

2.8 **Sinking Fund Account Payments**

The Partnership hereby agrees to pay to the Collateral Agent for deposit in the Sinking Fund Account, on each Sinking Fund Deposit Date, an amount equal to the amount as is set forth beside each such Sinking Fund Deposit Date in Schedule "Y" hereto (each such payment being a "**Sinking Fund Payment**"), less any amount transferred to the Sinking Fund Account pursuant to Section 2.9 and required to be imputed towards such Sinking Fund Payment in accordance with the provisions of Section 2.9. Amounts so deposited in the Sinking Fund Account shall only be released by the Collateral Agent in accordance with Section 8.10. The Partnership shall invest any amounts held in the Sinking Fund Account in accordance with Schedule "Z".

2.9 **Prepayment of Sinking Fund Account**

If as a result of the application of paragraphs (v) to (xvi) of the definition of "Final Funding Request":

- 2.9.1 there remains a balance in the Partnership Project Funding Account, the Partnership Project Operating Account or the Working Capital Reserve Account, the aggregate amount of such balance, as calculated pursuant to paragraph (xvii) of the definition of "Final Funding Request", shall on the date of the Advance relating to the Final Funding Request, be transferred to the Sinking Fund Account; and
- 2.9.2 the Available LIL Construction Facility is greater than nil, an Advance shall be deemed to have been requested pursuant to the LIL Draw Request delivered in connection with the Final Funding Request in an amount sufficient to reduce the Available LIL Construction Facility to nil, and such amount shall be deposited into the Sinking Fund Account;

and the amounts contemplated in subsections 2.9.1 and 2.9.2 shall be imputed to the Sinking Fund Payments on each Sinking Fund Deposit Date in the chronological order thereof.

ARTICLE 3

INTEREST AND STAND-BY FEE

3.1 Interest

- 3.1.1 The Partnership hereby covenants and agrees to pay to the Collateral Agent, for the account of the Intermediary Trust, and after the Assignment, for the account of the Funding Vehicle, interest on each Tranche of the LIL Construction Loan at an annual rate equal to the Applicable Interest Rate applicable to such Tranche, such interest to be reduced during the Construction Period in accordance with subsection 3.2.1.
- 3.1.2 The LIL Construction Loan shall bear interest from and including the date of the first Advance hereunder at a rate equal to the Applicable Interest Rate payable semi-annually in arrears on each LIL Interest Payment Date, such interest to be reduced during the Construction Period in accordance with subsection 3.2.1.
- 3.1.3 Interest is payable on each LIL Interest Payment Date (i) in respect of the first LIL Interest Payment Date, in an amount of interest accrued and to accrue from the date of the first Advance hereunder up to and including the Business Day immediately following such LIL Interest Payment Date, and (ii) in respect of any LIL Interest Payment Date thereafter, in an amount of interest accrued from the immediately preceding LIL Interest Payment Date up to and including such subsequent LIL Interest Payment Date.
- 3.1.4 Interest on all overdue interest on each Tranche of the LIL Construction Loan shall be calculated, compounded and payable in accordance with the corresponding provisions of the MTI and each relevant Supplemental Indenture as they relate to such Tranche as set forth in the definition of Applicable Interest Rate.

- 3.1.5 Interest payable on each Tranche of the LIL Construction Loan shall be payable after as well as before maturity and after as well as before default and judgement.
- 3.1.6 As additional interest payable on the LIL Construction Loan, the Partnership hereby covenants and agrees to pay to the Collateral Agent (i) prior to the Assignment, for the account of the Intermediary Trust, on an annual basis, on the last Business Day of each calendar year during the Construction Period, an amount equal to CDN\$10,000, and (ii) as of and from the Assignment, for the account of the Funding Vehicle, on an annual basis, on the last Business Day of each calendar year during the Operating Period, an amount equal to CDN\$5,000.

3.2 **Stand-By Fee**

- 3.2.1 The Partnership hereby covenants and agrees to pay to the Collateral Agent, for the account of the Intermediary Trust, as of and from the Closing Date up to and including the last day of the Construction Period, a stand-by fee in an amount equal to, in respect of each LIL Interest Payment Date, the difference between (i) the aggregate amount of interest payable on such date pursuant to Article 3 of the IT Project Finance Agreement by the Intermediary Trust in respect of the portion of the IT Construction Loan that has not served to fund the LIL Construction Loan to that date and (ii) the IT Income on Account Balances on deposit as at such date in the Intermediary Trust Proceeds Account (the "**LIL Stand-By Fee**"), provided, however, that if the result of such calculation is less than nil then (a) the LIL Stand-By Fee shall be nil and (b) the absolute value of the result of such calculation shall be applied in reduction of the interest payable by the Partnership pursuant to Article 3 in such year, and to the extent that the absolute value of the result of such calculation has not been fully applied in reduction of the interest payable by the Partnership pursuant to Article 3 in such year, then the remaining portion of the absolute value of the result of such calculation (as reduced following payment of income tax thereon, if any) shall be applied in reduction of the interest payable by the Partnership pursuant to Article 3 in subsequent years until the full amount of such absolute value (as reduced following payment of income tax thereon, if any) has been applied.
- 3.2.2 The LIL Stand-By Fee is payable on each LIL Interest Payment Date.
- 3.2.3 Interest on all overdue LIL Stand-By Fee shall be calculated, compounded and payable in accordance with, *mutatis mutandis*, the provisions of subsection 3.1.4.
- 3.2.4 The LIL Stand-By Fee payable shall be payable after as well as before maturity and after as well as before default and judgement.
- 3.2.5 As an additional stand-by fee payable in respect of the LIL Construction Facility, the Partnership hereby covenants and agrees to pay to the Collateral Agent, for the account of the Intermediary Trust, on an annual basis, on the last Business Day of each calendar year during the Construction Period, an amount equal to CDN\$5,000.

3.3 Aggregate Interest and Stand-By Fee payable on each LIL Interest Payment Date

The parties hereby acknowledge and agree, for greater certainty, that the sum of the interest, the LIL Stand-By Fee payable on each LIL Interest Payment Date during the Construction Period pursuant to Article 3 and the IT Income on Account Balances on deposit as at such date in the Intermediary Trust Proceeds Account shall be at least equal to the aggregate amount of interest payable by the Intermediary Trust, on such date, pursuant to Article 3 of the IT Project Finance Agreement.

ARTICLE 4**MANNER OF PAYMENTS****4.1 Payments to Collateral Agent Only**

4.1.1 All payments or repayments of principal and interest on the LIL Construction Loan and of fees and other amounts due and to become due hereunder with respect to the LIL Construction Loan and the LIL Construction Facility by the Partnership must be effected by direct payments in Canadian Dollars to the Collateral Agent at the Collateral Agent's Office only. The receipt by the Collateral Agent of such amounts shall be deemed to constitute the receipt of such amounts by the Intermediary Trust.

4.1.2 If for any reason any such payment or repayment is made directly to the Intermediary Trust, the Intermediary Trust shall promptly remit any amount so received to the Collateral Agent at the Collateral Agent's Office.

4.2 Payment on any Business Day by 3:00 p.m., NL standard time

Whenever any payment or repayment falls due on a day which is not a Business Day, such payment or repayment shall be made on the next following Business Day. Furthermore, any amount received after 3:00 p.m., NL standard time, on any Business Day shall be applied to the appropriate payment or repayment which was required to be made on such Business Day, on the next following Business Day. Until so applied, interest shall continue to accrue as provided in this Agreement on the amount of such payment or repayment.

ARTICLE 5**GUARANTEE****5.1 Guarantee**

Opco hereby irrevocably, absolutely and unconditionally guarantees to the Collateral Agent, for the benefit of the GAA Finance Parties the due and timely payment of all payment obligations of the Partnership under the LIL Project Finance Documents at the

times, in the currencies and in the manner provided for in the LIL Project Finance Documents (the "**LIL Guaranteed Obligations**").

5.2 **Nature of Guarantee**

The obligations of Opco hereunder are and shall be irrevocable, absolute and unconditional, present and continuing and constitute a guarantee of payment and not merely a guarantee of collection. As and by way of indemnity, Opco shall irrevocably, absolutely and unconditionally pay to the Collateral Agent all such amounts as shall be required from time to time to ensure that the Collateral Agent receives and is paid the full amount of the LIL Guaranteed Obligations regardless of (a) the unenforceability or invalidity of the LIL Guaranteed Obligations or any failure by the Partnership to duly and punctually pay in full the LIL Guaranteed Obligations when due, (b) any loss of any right of the Collateral Agent or any GAA Finance Party against the Partnership in respect of the LIL Guaranteed Obligations for any reason whatsoever, including by operation of any bankruptcy, insolvency or similar such laws, any laws affecting creditors' rights generally or general principles of equity and (c) any act or omission of the Collateral Agent or any GAA Finance Party in connection with the enforcement of any of the rights of the Collateral Agent or any GAA Finance Party against the Partnership.

5.3 **Payment Demand**

Within five (5) Business Days of its receipt of a written demand from the Collateral Agent in the form attached as Schedule "A" (a "**LIL Payment Demand**"), Opco shall pay to the Collateral Agent each amount claimed in the Payment Demand in immediately available funds and as directed by the Collateral Agent in the Payment Demand. A Payment Demand will not be valid under this Article 5 unless the amount claimed is due to the Intermediary Trust and has not been paid by the Partnership by the time provided on the LIL Due Date. Any amount payable by Opco under this Article 5 which is not paid when required herein will bear interest from the date of such demand until paid in full at the rate or rates expressed to be payable on the corresponding LIL Guaranteed Obligations owing under the applicable LIL Project Finance Documents.

5.4 **Withholdings**

All amounts payable by Opco under this Article 5 shall be made free and clear of and without deduction for or on account of any present or future Taxes, charges, fees, levies, duties or withholdings of any kind. If Opco is obliged to deduct or withhold an amount in respect of any such Taxes, charges, fees, levies, duties or withholdings, then in such event Opco shall pay to the Collateral Agent such additional amount as is necessary to ensure that the Collateral Agent receives and retains (on an after-Tax basis, after payment of any and all income taxes on such additional amounts) an amount equal to the full amount otherwise payable hereunder, net of any such Taxes, charges, fees, levies, duties or withholdings.

5.5 **Statement of Account**

Any statement of account prepared by the Collateral Agent as regards the LIL Guaranteed Obligations shall constitute *prima facie* evidence of the amount which, as at the date of the statement so prepared, is due by the Partnership to the Intermediary Trust and the Collateral Agent, and Opco hereby acknowledges and agrees that, absent manifest error, it shall be bound by each such statement. The Collateral Agent agrees to provide Opco with the computations and calculations used by the Collateral Agent to prepare each such statement of account following a request therefor.

5.6 **No Requirement to Exhaust Recourse**

The Collateral Agent shall not be bound to seek or exhaust its recourse or remedies against the Partnership, any other guarantor or any other person nor to enforce, marshal or value any Liens before being entitled to payment under this Article 5.

5.7 **Postponed Subrogation**

Opco shall not be subrogated to any right of the Collateral Agent until (i) indefeasible payment in full of all the LIL Guaranteed Obligations, including, for clarity, and without duplication, all repayments required to be made to Canada under the GAA, and (ii) the Intermediary Trust has no remaining obligation to make any Advance, make any payment, make any other extension of credit or provide any other financial service under, by reason of, or otherwise in respect of, any of the LIL Project Finance Documents.

Thereafter, Opco (i) shall be subrogated to the rights of the Collateral Agent under, pursuant to and otherwise in respect of all the LIL Project Finance Documents and (ii) may require the Collateral Agent to assign to it and each other person that has made payment of the LIL Guaranteed Obligations pursuant to any other guarantee, any of their respective rights then remaining with respect to the LIL Guaranteed Obligations, but any such assignment shall be without representation or warranty by, or recourse against, the Collateral Agent.

5.8 **Set-Off Acknowledgement**

Opco hereby acknowledges and agrees that vis-à-vis the Intermediary Trust, Canada and the Collateral Agent it has no available remedy of set-off. Accordingly, each payment to be made by Opco hereunder in respect of the LIL Guaranteed Obligations shall be made as required in whole without application of the right of set-off. Each payment to be made by Opco hereunder in respect of the LIL Guaranteed Obligations shall be made without regard to any equities between or among any of the Partnership, Opco, the Intermediary Trust and the Collateral Agent and without counterclaim, reduction, recoupment, retention or diminution of any kind or nature (including as a result of any defence, right of action, recoupment, retention or counterclaim of any nature that the Partnership or Opco may have or have had against the Collateral Agent, the Intermediary Trust or any other person.

5.9 **Imputation of moneys received in reduction of LIL Guaranteed Obligations**

Notwithstanding every legal rule concerning the imputation of payments, all sums of money received by the Collateral Agent from Opco pursuant to the provisions of this Article 5 shall be applied in reduction of the LIL Guaranteed Obligations as provided in the LIL Project Finance Documents.

5.10 **Irregularity in borrowings of no effect on obligations of Opco**

All sums of money, Advances, renewals, commitments and undertakings related to the LIL Guaranteed Obligations borrowed or effectively obtained from the Intermediary Trust by the Partnership pursuant to the LIL Project Finance Documents shall be considered as being part of the LIL Guaranteed Obligations, notwithstanding any irregularity, defect or flaw in the borrowing or obtaining of such sums of money, Advances, renewals, commitments and undertakings, whether or not the Intermediary Trust or the Collateral Agent was aware of the same, it being expressly understood that any sum which cannot be recovered from Opco as guarantor hereunder for reasons of voidness of the principal obligation may be recovered from Opco under the indemnity contained in Section 5.2 and shall be payable to the Collateral Agent, for the benefit of the GAA Finance Parties, upon demand therefor by the Collateral Agent.

5.11 **No Release of Guarantor**

Until the LIL Guaranteed Obligations, including, for clarity, and without duplication, all repayments required to be made to Canada under the GAA, have been indefeasibly paid in full and all credit facilities, extensions of credit and accommodations to the Partnership under the LIL Project Finance Documents have been cancelled and terminated, the obligations of Opco hereunder shall not be reduced, limited or terminated, nor shall Opco be discharged from any obligation hereunder for any reason whatsoever including, but not limited to (whether or not the same shall have occurred or failed to occur once or more than once and, in the case of extensions of time for payment, observance or performance of obligations, whether such extensions or any of them are for periods longer than the respective periods then specified therefor and whether or not Opco shall have received notice thereof or assented thereto):

- 5.11.1 any extension of the time for payment, observance or performance, or any other amendment or modification of any of the terms and conditions of the LIL Guaranteed Obligations or the LIL Project Finance Documents;
- 5.11.2 any composition or settlement (whether by way of release, acceptance of a plan of reorganization or otherwise) of the LIL Guaranteed Obligations;
- 5.11.3 the release of any Liens securing any or all of the LIL Guaranteed Obligations or any release, compromise, settlement or extension of time for payment, observance or performance of any obligations under any of the LIL Project Finance Documents;

- 5.11.4 any failure to exercise, delay in the exercise of, exercise or waiver of, or forbearance or other indulgence with respect to any rights, remedies and/or recourses available to the Collateral Agent or any of the GAA Finance Parties, including but not limited to:
- 5.11.4.1 any exercise of or failure to exercise any counterclaim, reduction, recoupment or retention;
 - 5.11.4.2 any election of rights, remedies and/or recourses effected by any of them;
 - 5.11.4.3 any subordination by operation of Applicable Law, whether present or future, of any or all of the LIL Guaranteed Obligations;
 - 5.11.4.4 any election not or failure to protect or preserve any collateral or protect, preserve or continue the perfection of any Lien on any collateral securing any or all of the LIL Guaranteed Obligations;
 - 5.11.4.5 any disallowance, invalidity, illegality, voidness or unenforceability of any or all Liens securing any or all of the LIL Guaranteed Obligations; and
- 5.11.5 any other act or failure to act which varies the risks of Opco hereunder or, but for the provisions hereof, under the terms of any Applicable Law, would operate to reduce, limit or terminate the obligations of Opco from any obligation hereunder.

5.12 **Certain Waivers**

Opco hereby waives:

- 5.12.1 any requirement and any right to require, that any power be exercised or any action be taken against the Partnership or any other guarantor or any collateral for any of the LIL Guaranteed Obligations;
- 5.12.2 any and all defences to and counterclaims, reductions, retentions and claims of recoupment against any and all of the LIL Guaranteed Obligations that may at any time be available to the Partnership or any other guarantor. As regards set-offs, Opco confirms the acknowledgement contained in Section 5.8;
- 5.12.3 any notice of acceptance of the incurrence or renewal of any LIL Guaranteed Obligations;
- 5.12.4 all notices which may be required by Applicable Law to preserve any rights against Opco hereunder including, but not limited to, any notice of default, demand, dishonour, presentment and protest;
- 5.12.5 diligence;

- 5.12.6 any defence based upon, arising out of or in any way related to:
- 5.12.6.1 any claim that any election of remedies by the Collateral Agent or any of the GAA Finance Parties impaired, reduced, released or extinguished any rights that Opco might otherwise have had against the Partnership or any other guarantor;
 - 5.12.6.2 any claim that the LIL Guaranteed Obligations should be strictly construed against the Intermediary Trust or the Collateral Agent; and
 - 5.12.6.3 any and all other defences related to the LIL Guaranteed Obligations save and except for the receipt by the Intermediary Trust or the Collateral Agent of the full, final and definitive payment of the amount of the LIL Guaranteed Obligations, including, for clarity, and without duplication, all repayments required to be made to Canada under the GAA, and the cancellation in full of all credit facilities, extensions of credit and other financial services under the LIL Project Finance Documents have been fully performed or terminated.

5.13 **No Release in Event of Bankruptcy**

No settlement or discharge of the LIL Guaranteed Obligations shall be effective if any payment by Opco in respect thereof is avoided or reduced by virtue of any provision or enactment relating to bankruptcy, insolvency, liquidation, fraudulent conveyances, assignments and preferences or similar laws of general application from time to time, and if such payment is so avoided or reduced, the Collateral Agent shall be entitled to recover the amount of such payment as if such settlement or discharge had not occurred.

5.14 **Additional Security**

The guarantee provided under this Article 5 shall be in addition to and without prejudice to any other security by whomsoever given, held at any time by the Intermediary Trust, the Collateral Agent or any of the GAA Finance Parties. None of the GAA Finance Parties, the Collateral Agent or the Intermediary Trust shall be under any obligation to marshal any such security or any of the funds or assets they or any one thereof may be entitled to receive or have a claim upon.

5.15 **Continuing Liability of Guarantor**

The LIL Guaranteed Obligations shall be deemed not to have been paid, observed or performed, and the liability of Opco hereunder in respect thereof shall continue and not be discharged, to the extent that any payment, observance or performance thereof by the Partnership or any other guarantor, or out of the proceeds of any collateral (collectively referred to herein as the "**LIL Disgorged Amount**"), is recovered from or reimbursed by or for the account of the Intermediary Trust or the Collateral Agent for any reason, including, but not limited to, a preference or fraudulent transfer or by virtue of any

subordination (whether present or future or contractual or otherwise) of the LIL Guaranteed Obligations, whether such recovery or payment over is effected by any judgment, decree or order of any court or Governmental Authority, by any plan of reorganization or by settlement or compromise by the Intermediary Trust or the Collateral Agent (whether or not consented to by the Partnership, Opco or any other guarantor) of any claim for any such recovery or payment over. Opco hereby expressly waives the benefit of any Applicable Law of limitations and agrees that it shall be liable hereunder whenever such a recovery or payment ever occurs.

5.16 **Continuance of Guarantee Agreement**

Subject to Section 5.15, the guarantee provided in this Article 5 shall continue in full force and effect until the indefeasible payment, observance and performance in full of the LIL Guaranteed Obligations, including, for clarity, and without duplication, all repayments required to be made to Canada under the GAA, and the cancellation of all the credit facilities, extensions of credit and financial services to the Partnership, provided however that where at any time the Intermediary Trust or the Collateral Agent is required to pay over any LIL Disgorged Amount, such person shall be permitted to make a claim therefor under the provisions of Section 5.15.

5.17 **Reasonableness of Waivers, Renunciations, Declarations and Authorizations**

Opco agrees that each of the waivers, renunciations, declarations and authorizations set forth in this Article 5 is made with full knowledge of its significance and consequences and if any of such waivers, renunciations, declarations and authorizations is determined to be contrary to any Applicable Law or public policy, such waivers, renunciations, declarations and authorizations shall be effective only to the maximum extent permitted by Applicable Law.

5.18 **Authority to Modify LIL Guaranteed Obligations**

Opco expressly authorizes the Collateral Agent and the Intermediary Trust or any one thereof, at any time and from time to time, without notice and without affecting the liability of Opco hereunder, to:

- 5.18.1 change, modify, alter, amend, supplement, extend, renew, compromise, novate, replace, suspend or waive the terms of all or any part of the LIL Guaranteed Obligations and any security and guarantees therefor;
- 5.18.2 accept new or additional instruments, documents, agreements, security or guarantees in connection with all or any part of the LIL Guaranteed Obligations;
- 5.18.3 accept partial payments on the LIL Guaranteed Obligations;
- 5.18.4 waive, release, reconvey, terminate, abandon, subordinate, exchange, substitute, transfer, compound, compromise, liquidate and enforce all or any part of the LIL Guaranteed Obligations and any security or guarantee therefor,

and apply any such security and direct the order or manner of sale thereof as the Collateral Agent (for the benefit of the GAA Finance Parties) in its discretion may determine; and

- 5.18.5 otherwise change, modify, alter, amend, supplement, extend, renew, compromise, novate, replace, suspend or waive the provisions of any of the LIL Project Finance Documents.

ARTICLE 6

SECURITY

6.1 Security by the Partnership and Opco

As general and continuing collateral security for the due payment and performance of the LIL Secured Obligations, each of the Partnership and Opco shall grant first ranking Liens, subject only to Permitted Encumbrances, on all of their respective present and future Assets (other than Excluded Deposits and the Contributed Surplus) to and in favour of the Collateral Agent. For such purpose, on or prior to the first LIL Drawdown hereunder, each of the Partnership and Opco shall:

- 6.1.1 execute a collateral trust deed in favour of the LIL Security Trustee (a "**LIL Collateral Trust Deed**");
- 6.1.2 issue a debenture under the terms of the LIL Collateral Trust Deed to which it is a party, to and in favour of the LIL Security Trustee;
- 6.1.3 issue under the terms of the LIL Collateral Trust Deed to which it is a party, in the name of the Collateral Agent, for its own benefit and the benefit of the GAA Finance Parties, one senior secured bond in an aggregate principal amount of CDN\$2,400,000,000;
- 6.1.4 execute a pledge agreement in favour of the Collateral Agent, for its own benefit and the benefit of the GAA Finance Parties, with respect to the senior secured bond referred to in subsection 6.1.3;
- 6.1.5 execute fixture filings in favour of the LIL Security Trustee with respect to the leasehold interests, easement rights and Statutory Easement rights of the Partnership;
- 6.1.6 execute an assignment agreement in favour of the LIL Security Trustee with respect to all insurance;
- 6.1.7 execute a blocked account agreement in favour of the LIL Security Trustee with respect to the LIL Project Accounts;

- 6.1.8 deliver to the Collateral Agent the consent to liens and step-in agreement in favour of the LIL Security Trustee contemplated in the LIL Assets Agreement, the TFA, the LIL Remedies Agreement and the PDMA;
- 6.1.9 deliver to the Collateral Agent, all payment and material bonds, performance bonds and other performance security of any kind provided to the Partnership or Opco naming the LIL Security Trustee as co-obligee thereunder.

All of the foregoing documents must be in form and substance satisfactory to the Collateral Agent.

6.2 **Security by the Limited Partners and the General Partner**

As general and continuing collateral security for the due payment and performance of the LIL Secured Obligations, each Limited Partner and the General Partner shall pledge in favour of the Collateral Agent the Capital Stock it holds in the Partnership, it being understood that the recourses of the Collateral Agent pursuant to such each pledge shall be limited to such pledged Capital Stock of the Partnership, with no personal recourse to the Limited Partners.

6.3 **Security by Nalcor**

As general and continuing collateral security for the due payment and performance of the LIL Secured Obligations, Nalcor shall pledge in favour of Canada the Capital Stock it holds in the General Partner and in Opco, it being understood that the recourses of Canada pursuant to such pledge shall be limited to such pledged Capital Stock of the General Partner and of Opco, with no personal recourse to Nalcor.

6.4 **Registration**

Each of the Partnership and Opco shall register, or shall cause to be registered, and hereby authorizes the Collateral Agent and the Collateral Agent's Counsel to register the LIL Security Documents and any financing statement, fixture filing, notice, application for registration or other document in respect thereof, in all offices, including any land registry or land titles office, where such registration is necessary or of advantage, in the opinion of the Collateral Agent's Counsel, to create, preserve, protect and perfect the Liens created under the LIL Security Documents and their validity, effect, perfection and priority at all times.

6.5 **Further Assurances**

On request from the Collateral Agent from time to time, the Partnership and Opco shall execute or cause to be executed, all such agreements, documents and instruments (including any amendment to any LIL Project Finance Document) and do or cause to be done all such other matters and things which in the opinion of the Collateral Agent or the Collateral Agent's Counsel may be necessary or of advantage to create, preserve, protect or perfect (so far as may be possible under any Applicable Law) the Liens and the

validity, effect, perfection and priority intended to be created by the LIL Project Finance Documents or to facilitate realization under such Liens.

6.6 **Discharge of Certain Security**

The Intermediary Trust authorizes the Collateral Agent to discharge the Liens created pursuant to the LIL Security Documents, but only in respect of any Assets disposed of in compliance with the provisions of this Agreement.

6.7 **Survival of Security**

The Credit Parties and the Intermediary Trust hereby acknowledge and agree that, none of the Liens created pursuant to the LIL Security Documents shall be released until all LIL Secured Obligations are indefeasibly repaid in full, including, for clarity, and without duplication, the repayment in full of all repayments required to be made to Canada under the GAA.

ARTICLE 7

CONDITIONS PRECEDENT

7.1 **Initial Conditions**

No Advance will be made by the Intermediary Trust pursuant to the LIL Construction Facility until the following conditions precedent (the "**LIL Initial Conditions Precedent**") shall have been met to the satisfaction of the Collateral Agent or, as the case may be, waived by the Collateral Agent:

CORPORATE MATTERS

7.1.1 the Collateral Agent shall have received:

7.1.1.1 true and complete copies of the constitutive documents, charter and by-laws of each of the Credit Parties, Nalcor LP and Emera LP;

7.1.1.2 true and complete copies of the resolutions of the board of directors and/or the shareholders and/or partners, as appropriate, in form and substance satisfactory to the Collateral Agent, authorizing or ratifying the execution and delivery of, and the performance by each of the Credit Parties, NLH, Nalcor, Nalcor LP and Emera LP of its obligations under the LIL Project Finance Documents, the LIL Assets Agreement, the TFA, the LIL Remedies Agreement, the Partnership Step-In Agreement, the Opco Step-In Agreement and the LIL Lease, to which it is a party and stating the offices of the Responsible Officers or other Persons who are authorized to sign such documents;

- 7.1.1.3 a certificate, in form and substance satisfactory to the Collateral Agent, stating the name, office and the true signature of each Responsible Officer or other individual of the General Partner, Opco, NLH, Nalcor, Nalcor LP and Emera LP executing the LIL Project Finance Documents, the LIL Assets Agreement, the TFA, the LIL Remedies Agreement, the Partnership Step-In Agreement, the Opco Step-In Agreement and the LIL Lease;
- 7.1.1.4 in respect of each of the Credit Parties, Nalcor LP and Emera LP, a certificate of status or compliance or the equivalent thereof from the jurisdiction of its incorporation or formation issued by the appropriate authorities in its jurisdiction of incorporation or formation and, if applicable, in the jurisdiction of its principal place of business;
- 7.1.1.5 orders in council from NL Crown or other forms of provincial government authorizations for purposes of authorizing the LIL Project Finance Documents and the incorporation of the Credit Parties;

FINANCIAL DUE DILIGENCE

- 7.1.2 the Collateral Agent shall have received the forward-looking financial modeling information constructed in Excel[®] with respect to the Credit Parties;
- 7.1.3 the Collateral Agent shall have received a detailed opening balance sheet for the Partnership, in form and substance reasonably satisfactory to the Collateral Agent;
- 7.1.4 since November 29, 2013, no event has occurred or failed to occur which has or would have a Material Adverse Effect;

PROJECT DUE DILIGENCE

- 7.1.5 the GAA Finance Parties shall have completed, to their satisfaction, a due diligence investigation of the Project and the Credit Parties, such investigation being in scope, and with results, satisfactory to the GAA Finance Parties, in all respects and without limiting the generality of the foregoing, Tax and insurance matters, the legal structure of the Credit Parties, the business and Assets of each of the Partnership and Opco, the forward-looking financial modeling information constructed in Excel[®] with respect to the Credit Parties, and the Collateral Agent shall have received such financial, business and other information regarding the Project as it, the Insurance Consultant or the Independent Engineer shall have requested, including:
 - 7.1.5.1 the Project Plans;
 - 7.1.5.2 the Project Budget;

- 7.1.5.3 the Project Schedule;
 - 7.1.5.4 the ESA and ESG; and
 - 7.1.5.5 the Initial Material Project Documents and the Authorizations referred to in Part I of Schedule "B";
- 7.1.6 the Collateral Agent shall have received, in form and substance satisfactory to the Collateral Agent, a certificate executed by a Responsible Officer of Devco and a Responsible Officer of the General Partner, in each case in his capacity as an officer of, respectively, Devco and the General Partner and without personal liability, attesting that:
- 7.1.6.1 the Project Budget and the Project Schedule are reasonable estimates of the costs and time periods respectively required in order for the Project to be built in accordance with the Project Plans and for the Partnership to achieve Commissioning by the Date Certain;
 - 7.1.6.2 the forward-looking financial modeling information constructed in Excel© with respect to the Credit Parties is based upon assumptions believed to be reasonable by the Partnership as of the date that they were prepared;
 - 7.1.6.3 the construction of the Project is, in all material respects, in compliance with the Project Plans and in accordance with all Applicable Laws (including Environmental Laws) save as disclosed in Schedule "C", is technically feasible, and will allow the Project to perform in compliance, in all material respects, with all Material Project Documents and Authorizations; and
 - 7.1.6.4 the Partnership has or has had obtained all Authorizations which, under Applicable Law are necessary to obtain in connection with the Project and the Initial Material Project Documents, save as disclosed in Part V of Schedule "B" and other than those not yet required under Applicable Law and which are expected to be obtainable in the ordinary course, as and when so required;
- 7.1.7 the Collateral Agent shall have received in form and substance satisfactory to the Collateral Agent, a final report from the Independent Engineer, addressing the Project as set out in the undated execution plan issued by the Independent Engineer;
- 7.1.8 the Collateral Agent shall have received, in form and substance satisfactory to the Collateral Agent, a final report from the Insurance Consultant, addressing the insurance coverage for the Project as required by the scope of work and proposal dated August 28, 2013 issued by the Insurance Consultant;

- 7.1.9 the Partnership shall have or have had obtained, and by way of access to the data room, the Collateral Agent shall have been given access to copies of, all Authorizations which under Applicable Law are necessary to obtain or have had obtained in connection with the Project, the transactions contemplated by the LIL Project Finance Documents and the Initial Material Project Documents (other than as disclosed in Part V of Schedule "B" and those not yet required under Applicable Law and which are expected to be obtainable in the ordinary course, as and when so required), none of the foregoing being subject to any condition or containing any qualification unsatisfactory to the Collateral Agent, and all applicable waiting periods shall have expired without any action being taken by any competent Governmental Authority which would prevent or adversely affect the ability of the Partnership to achieve Commissioning by the Date Certain;
- 7.1.10 the Collateral Agent shall be satisfied that the funding of the Project Costs and the Working Capital Reserve Account shall be made substantially in accordance with and as set forth in Schedule "E";
- 7.1.11 there shall be no litigation, proceedings, counterclaims or investigations pending or, to the Knowledge of the Partnership, threatened by or before any court or Governmental Authority, other than as described in Schedule "F", challenging or seeking to prohibit the consummation of any of the transactions contemplated in any of the LIL Project Finance Documents, the Initial Material Project Documents or any portion of the Project, or which would result in a Material Adverse Effect;
- 7.1.12 to the Knowledge of the Partnership, no Expropriation Event or adverse zoning or usage change proceeding which would result in a Material Adverse Effect shall have occurred or shall have been threatened against the Project;
- 7.1.13 the Partnership and Opco shall have established with the Collateral Agent all LIL Project Accounts required to be established by the Closing Date;
- 7.1.14 the Collateral Agent shall have received the LIL Indicative Credit Ratings;
- 7.1.15 the Collateral Agent shall have received the Nalcor Sanction Resolution and the Emera Sanction Resolution;
- 7.1.16 the Collateral Agent shall have received a record of engagement with aboriginal communities relating to the LCP;

MATERIAL PROJECT DOCUMENTS AND OTHER DOCUMENTS

- 7.1.17 the Collateral Agent shall have received copies of the signed execution version of each of the LIL Project Finance Documents, Initial Material Project Documents, the Partnership Step-In Agreement and the Opco Step-In Agreement, which shall, in each case, be in form and substance satisfactory to the Collateral Agent as well as the Authorizations referred to in Part I of

Schedule "B" and the letters of credit, bonds or other performance security required to be delivered under the Initial Material Project Documents;

- 7.1.18 the Collateral Agent shall be satisfied that each of the LIL Project Finance Documents, Initial Material Project Documents, the Partnership Step-In Agreement, the Opco Step-In Agreement and the Authorizations referred to in Part I of Schedule "B" is in full force and effect and that no material default has occurred and is continuing thereunder;
- 7.1.19 the Collateral Agent shall have received the IGA, duly executed by NL Crown and Canada;
- 7.1.20 the Collateral Agent shall be satisfied that the Partnership is the sole legal and beneficial owner of the Current LIL Assets and Rights and that same are free and clear of all Liens except Permitted Encumbrances;

LEGISLATIVE MATTERS

- 7.1.21 the Collateral Agent shall have received evidence of promulgation of *An Act to Amend the Electrical Power Control Act, 1994, the Energy Corporation Act and the Hydro Corporation Act, 2007* (NL) and adoption of the order in council relating to the Public Utility Board;

ENVIRONMENTAL MATTERS

- 7.1.22 the Collateral Agent shall have received the Federal Environmental Assessment and the Provincial Environmental Assessment;

OTHER LOWER CHURCHILL PROJECTS

- 7.1.23 the Collateral Agent has received confirmation that the Muskrat/LTA Initial Conditions Precedent (other than those set forth in subsection 7.1.24 of the Muskrat/LTA Project Finance Agreement) have been met to the satisfaction of the Muskrat/LTA Collateral Agent, or, as the case may be, waived by the Muskrat/LTA Collateral Agent;
- 7.1.24 the IT Initial Conditions Precedent (other than those set forth in subsection 7.1.25 of the IT Project Finance Agreement) have been met to the satisfaction of the Collateral Agent, or, as the case may be, waived by the Collateral Agent;
- 7.1.25 the Collateral Agent shall have received a copy of the indicative credit rating provided by the Credit Rating Agencies for the Maritime Link;
- 7.1.26 the Collateral Agent shall have received evidence of promulgation of *An Act to Ensure Regulatory Review of the Maritime Link* (NS) and the *Maritime Link Cost Recovery Process Regulations* (NS);

- 7.1.27 the Collateral Agent shall have received the NS IGA, duly executed by NS and Canada;
- 7.1.28 the Collateral Agent shall have received the Emera Guarantee, duly executed by Emera and Canada;

TITLE MATTERS

- 7.1.29 the Collateral Agent shall have received, in form and substance satisfactory to the Collateral Agent, execution search reports and certificates from the Obligor's Real Property Counsel, dated no earlier than three (3) Business Days prior to the Closing Date, indicating that such of the LIL Real Property Interests as are in existence as at such date are free and clear of all Liens other than Permitted Encumbrances;
- 7.1.30 the Collateral Agent shall have received, in form and substance satisfactory to the Collateral Agent, the title opinions of the Obligor's Real Property Counsel, dated no earlier than three (3) Business Days prior to the Closing Date, to the effect that the Partnership is the duly registered and lawful owner by good and marketable title of such of the LIL Real Property Interests as are in existence as at such date and that the said property is free and clear of all Liens, except Permitted Encumbrances;

MATTERS RELATING TO SECURITY

- 7.1.31 the Collateral Agent shall have received all LIL Security Documents duly executed by each appropriate Person, together with evidence in form and substance satisfactory to the Collateral Agent, that all Registrations and other actions necessary or desirable to give the Collateral Agent valid, effective and perfected first ranking Liens in each of the Partnership's and Opco's Assets (other than Excluded Deposits and Contributed Surplus), and in the Limited Partnership Units, subject only to Permitted Encumbrances, have been effected;
- 7.1.32 the Collateral Agent shall have received results of searches of public records by the Obligor's Counsel under the Applicable Laws of such jurisdictions which the Collateral Agent determines appropriate, relating to Lien filings and registrations which may have been made with respect to the Partnership, Opco, the General Partner, Nalcor LP, Emera LP, and each of the Partnership's, Opco's, the General Partner's, Nalcor LP's and Emera LP's personal property Assets and the results of such searches shall be as current to the Closing Date as reasonably practicable and shall reveal no Liens other than Permitted Encumbrances and Liens for which releases and discharges are referred to in subsection 7.1.33;
- 7.1.33 the Collateral Agent shall have received evidence, in form and substance satisfactory to the Collateral Agent, that concurrently with the making of the first LIL Drawdown hereunder, it shall receive releases and discharges with

respect to all Liens, other than Permitted Encumbrances (and, in the case of the Limited Partnership Units, other than such Liens thereon that have been subordinated to the Liens created pursuant to the Security Documents) affecting the Partnership, Opco, their respective Assets or the Limited Partnership Units, duly executed by all of the Persons who benefit from such Liens or have been granted security on such Assets;

INSURANCE

- 7.1.34 the Collateral Agent shall have received, in form and substance satisfactory to the Collateral Agent, copies of certificates of insurance evidencing all insurance covering the Partnership and required to be maintained by the Partnership pursuant to subsection 10.6.1 and naming the Collateral Agent and the LIL Security Trustee as additional insured and, if appropriate, as first loss payees, accompanied with a satisfactory mortgagee clause, it being understood that such certificates of insurance will be made available promptly after the execution of this Agreement;
- 7.1.35 with respect to any insurance required to be maintained pursuant to any of the Initial Material Project Documents, the Collateral Agent shall have received, in form and substance satisfactory to the Collateral Agent, copies of certificates of insurance evidencing all such insurance and naming the Collateral Agent and the LIL Security Trustee as additional insured and, if appropriate, as first loss payees, accompanied with a standard mortgagee clause;

LEGAL OPINIONS

- 7.1.36 the Collateral Agent shall have received the legal opinions of the Obligors' Counsel, the Obligors' Real Property Counsel or Emera LP's counsel, as the case may be, dated the Closing Date, regarding the Credit Parties, Nalcor, NLH, Nalcor LP and Emera LP, and in form and substance satisfactory to the Collateral Agent.

Such legal opinions shall cover such matters incident to the transactions contemplated by the LIL Project Finance Documents, the LIL Assets Agreement, the TFA, the LIL Remedies Agreement, the LIL Lease, the Partnership Step-In Agreement and the Opco Step-In Agreement as the Collateral Agent may request, including the legality, validity, binding nature and enforceability of each such agreement;

COMPLIANCE

- 7.1.37 the representations and warranties made under this Agreement are true, accurate and complete in all material respects as at the Closing Date;
- 7.1.38 the Collateral Agent shall have received a certificate from the Partnership as to matters of fact, in form and substance satisfactory to the Collateral Agent

dated the Closing Date duly executed by a Responsible Officer of the General Partner, acting in his capacity as an officer of the General Partner and without personal liability; and

7.1.39 No LIL Event of Default shall have occurred and be continuing.

7.2 **Conditions Precedent to First LIL Drawdown under the LIL Construction Facility**

Subject to and upon compliance with all of the relevant terms and conditions of this Agreement, at any time during the Construction Period, upon or following the LIL Initial Conditions Precedent having been met or, as the case may be, waived by the Collateral Agent, the Partnership can request a first LIL Drawdown under the LIL Construction Facility to be used exclusively for purposes of funding:

7.2.1 the payment of all reasonable fees which each of the Collateral Agent, the Funding Vehicle, the Administrator, the Indenture Trustee, the Fiscal Agent, the Issuer Trustee, the IT Trustee and the Lead Arranger is entitled to receive on or prior to the date of such LIL Drawdown under the Funding Transaction Documents, this Agreement and any agreement with the Credit Parties entered into in connection herewith, provided, however, that such fees in respect of the Lead Arranger shall be limited to such fees incurred from the acceptance by the Funding Vehicle of the Commitment Letter, including, for greater certainty, the lead arranger fees payable by the Partnership pursuant to such commitment letter and the Underwriting Agreement;

7.2.2 the reimbursement of all reasonable expenses and costs (including reasonable legal expenses and costs) which each of the Intermediary Trust, the Collateral Agent, the Funding Vehicle, the Administrator, the IT Administrator the Indenture Trustee, the Fiscal Agent, the Issuer Trustee, the Lead Arranger and Canada has incurred on or prior to the date of such LIL Drawdown in connection with the IT Project Finance Documents, the Funding Transaction Documents or the LIL Project Finance Documents, and in respect of which any one thereof has requested the Partnership to reimburse same on the date of such LIL Drawdown, provided, however, that such expenses and costs in respect of Canada shall be limited to reasonable third party expenses and costs of the advisors engaged by Canada up to the date of such LIL Drawdown in connection with the LIL Project Finance Documents, and such expenses and costs in respect of the Lead Arranger shall be limited to expenses and costs incurred from the acceptance by the Funding Vehicle of the Commitment Letter until the date of such LIL Drawdown;

7.2.3 the Working Capital Reserve Account in amount equal to the Minimum WCR Requirement;

provided, however, that the following conditions (the "**First LIL Drawdown Conditions Precedent**") are met to the satisfaction of the Collateral Agent, or waived by it:

FUNDING REQUEST

- 7.2.4 the Collateral Agent shall have received a Funding Request at least one (1) Business Day before the date on which such LIL Drawdown is expected to occur;
- 7.2.5 the Collateral Agent has received confirmation that the Muskrat/LTA Drawdown Conditions Precedent and the conditions precedent set forth in Section 7.3 of the Muskrat/LTA Project Finance Agreement (other than those set forth in subsection 7.3.5 of the the Muskrat/LTA Project Finance Agreement) have been met to the satisfaction of the Muskrat/LTA Collateral Agent, or, as the case may be, waived by the Muskrat/LTA Collateral Agent;

COMPLIANCE

- 7.2.6 the representations and warranties made under this Agreement are true, accurate and complete in all material respects as at the date of such LIL Drawdown; and
- 7.2.7 No LIL Event of Default shall have occurred and be continuing.

7.3 Conditions Precedent to LIL Drawdowns under the LIL Construction Facility

Subject to and upon compliance with all of the relevant terms and conditions of this Agreement, at any time during the Construction Period, upon or following the LIL Initial Conditions Precedent and the First LIL Drawdown Conditions Precedent having been met or, as the case may be, waived by the Collateral Agent, the Partnership can request a LIL Drawdown (other than the Punch List Costs Drawdown, the Demobilization Costs Drawdown and the DSRA Drawdown) under the LIL Construction Facility (and to the extent that the provisions of Section 7.9 are applicable, a WCR Release), no more than once per calendar month and only if the following conditions are met to the satisfaction of the Collateral Agent, or waived by it (provided, however, that with respect to any portion of any Advance to be used to pay Soft Costs comprised of the interest on the LIL Construction Loan, the LIL Stand-By Fee and any Sinking Fund Payment, such portion of such Advance shall be advanced on the relevant LIL Drawdown Date notwithstanding that the conditions set forth in this Section may not have been met, in whole or in part):

FUNDING REQUEST

- 7.3.1 the Collateral Agent and the Independent Engineer shall have received:
- 7.3.1.1 other than in the case of a Funding Request delivered in May or November, a Funding Request on the fifth (5th) Business Day; and
- 7.3.1.2 in the case of a Funding Request delivered in May or November, a Funding Request on the seventh (7th) Business Day;

prior to the last day of the month during which such Funding Request shall have been delivered, provided, however, that the Partnership may not issue more than one Funding Request per month. Each Funding Request shall be accompanied by supporting documentation for such Funding Request in the form attached hereto as Schedule "CC";

CONSTRUCTION REPORT

- 7.3.2 the Collateral Agent and the Independent Engineer shall have received in the same month as the month of delivery of a Funding Request pursuant to subsection 7.3.1, and in accordance with the provisions of Section 11.3, a copy of the most recent Construction Report;
- 7.3.3 the Collateral Agent shall have received one copy of the Independent Engineer's Confirmation.

Where the Funding Request or any of the supporting documentation or information intended to form part thereof are, in the opinion of the Collateral Agent or the Independent Engineer, either inadequate, incomplete or insufficient, the Collateral Agent shall notify the Partnership of such fact and of the required additional or different documentation or information;

MATERIAL PROJECT DOCUMENTS

- 7.3.4 the Collateral Agent shall have received copies of the signed execution version of each of the Additional Material Project Documents entered into since the Closing Date or the date of the last Funding Request to the date of the relevant Funding Request, which, in each case, shall be in form and substance satisfactory to the Collateral Agent;
- 7.3.5 no material default shall have occurred and be continuing under any Material Project Document or any Authorization in effect with respect to the Project;
- 7.3.6 the Partnership shall have or have had obtained all Authorizations (to the extent not already obtained) which, under Applicable Law, as of the date of the relevant Funding Request, are necessary to have been obtained in connection with the Project and the work currently being performed on the Project, none of the foregoing being subject to any condition or containing any qualifications unsatisfactory to the Collateral Agent, based on the report issued by the Independent Engineer, and all applicable waiting periods shall have expired without any action being taken by any competent authority that would prevent or adversely affect the ability of the Partnership to achieve Commissioning by the Date Certain;

INSURANCE

- 7.3.7 with respect to any insurance required to be maintained pursuant to any of the Additional Material Project Documents referred to in subsection 7.3.4 and to

the extent not already covered by the certificate delivered pursuant to subsection 7.1.34 or 7.1.35, the Collateral Agent shall have received, in form and substance satisfactory to the Collateral Agent, copies of certificates of insurance evidencing all such insurance and naming the Collateral Agent and LIL Security Trustee as additional insured and, if appropriate, as first loss payees, accompanied with a standard mortgagee clause;

TITLE MATTERS

- 7.3.8 the Collateral Agent shall have received, in form and substance satisfactory to the Collateral Agent, updated execution search reports and certificates from the Obligors' Real Property Counsel, dated not earlier than three (3) Business Days' prior to the LIL Drawdown Date, indicating that since the effective date of the most recent execution search reports and certificates delivered hereunder, no Liens other than Permitted Encumbrances have been registered against such of the LIL Real Property Interests as are in existence as at such time;
- 7.3.9 the Collateral Agent shall have received a written confirmation from the Obligors' Real Property Counsel or such other evidence, in form and substance satisfactory to the Collateral Agent, that, as regards such of the LIL Real Property Interests as are in existence as at such time, all realty taxes that are due and payable have been fully paid;

COMPLIANCE AND DISBURSEMENT UNDER THE LIL CONSTRUCTION FACILITY

- 7.3.10 the Collateral Agent shall have received a LIL Draw Request within the time periods herein provided requesting a LIL Drawdown on the LIL Drawdown Date in an amount equal to the amount calculated pursuant to paragraph (vi) of the definition of "Funding Request" with respect to the Funding Requirements to which such LIL Drawdown relates;
- 7.3.11 the Collateral Agent shall have determined that the amount of the requested LIL Drawdown is not greater than the Available LIL Construction Facility;
- 7.3.12 the Collateral Agent shall have received evidence, in form and substance satisfactory to the Collateral Agent that all contractors, subcontractors and other Persons working on the construction or towards the Commissioning of the Project have been paid all amounts owing to them pursuant to the Material Project Documents, save for any amount being claimed and contested, any amounts that have been paid into court or otherwise posted pursuant to such contestation, and any required holdbacks and the amounts to be paid to them out of the proceeds of the requested LIL Drawdown;
- 7.3.13 at any time (i) prior to the date on which the DER first becomes equal to 75%, provided, however, that each of the conditions precedent set forth in this Section are at such time met to the satisfaction of the Collateral Agent or, as the case may be, waived by the Collateral Agent, the amount of the requested

LIL Drawdown shall be disbursed in accordance with the terms hereof without any equity Investment being required and (ii) following the date on which DER first becomes equal to 75%, the Collateral Agent shall have received the Base Equity Contribution or Contingency Equity Contribution, as the case may be, in the proportion required pursuant to the definition of "Equity Rateable Share". The Collateral Agent acknowledges and agrees that in the case of clause (ii) of this subsection, any such disbursement shall be made in accordance with and subject to Section 2.9 of the ESA and Section 2.4 of the ESG;

7.3.14 except to the extent that they are stated to be made as of a specific date, the representations and warranties made under this Agreement are true, accurate and complete in all material respects as of the date of such requested LIL Drawdown; and

7.3.15 no LIL Event of Default shall have occurred and be continuing.

7.4 **Conditions Precedent to LIL Drawdown under the LIL Construction Facility on Account of the Punch List Costs Drawdown**

Subject to and upon compliance with all of the relevant terms and conditions of this Agreement, following the LIL Initial Conditions Precedent and the First LIL Drawdown Conditions Precedent having been met or, as the case may be, waived by the Collateral Agent, the Partnership can request a single LIL Drawdown under the Available LIL Construction Facility on account of the Punch List Costs Drawdown immediately prior to the Commissioning Date, concurrently with the Demobilization Costs Drawdown and the DSRA LIL Drawdown (all such LIL Drawdowns being together the final LIL Drawdowns under the LIL Construction Facility) (and to the extent that the provisions of Section 7.9 are applicable, a WCR Release) but only if the following conditions are met to the satisfaction of the Collateral Agent, or, as the case may be, waived by the Collateral Agent:

7.4.1 the Collateral Agent and the Independent Engineer shall have received a LIL Draw Request within the time periods herein provided requesting a LIL Drawdown on the LIL Drawdown Date in an amount equal to the Punch List Costs Drawdown together with:

7.4.1.1 other than in the case of a Final Funding Request delivered in May or November, a Final Funding Request on the fifth (5th) Business Day; and

7.4.1.2 in the case of a Final Funding Request delivered in May or November, a Final Funding Request on the seventh (7th) Business Day;

prior to the last day of the month during which such Final Funding Request shall have been delivered;

- 7.4.2 the Collateral Agent shall have received the Base Equity Contribution or Contingency Equity Contribution, as the case may be, in the proportion required pursuant to the definition of "Equity Rateable Share". The Collateral Agent acknowledges and agrees that such disbursement shall be made in accordance with and subject to Section 2.9 of the ESA and Section 2.4 of the ESG;
- 7.4.3 each of the Conditions Precedent to Commissioning (other than under subsections 7.7.6 and 7.7.13) has been met to the satisfaction of the Collateral Agent, or, as the case may be, waived by the Collateral Agent;
- 7.4.4 the Collateral Agent shall have determined that the amount of the requested LIL Drawdown is not greater than the Available LIL Construction Facility (taking into account the concurrent Demobilization Costs Drawdown and DSRA Drawdown);
- 7.4.5 except to the extent that they are stated to be made as of a specific date, the representations and warranties made under this Agreement are true, accurate and complete in all material respects as of the date of such requested LIL Drawdown; and
- 7.4.6 no LIL Event of Default shall have occurred and be continuing.

7.5 **Conditions Precedent to LIL Drawdown under the LIL Construction Facility on Account of the Demobilization Costs Drawdown**

Subject to and upon compliance with all of the relevant terms and conditions of this Agreement, following the LIL Initial Conditions Precedent and the First LIL Drawdown Conditions Precedent having been met or, as the case may be, waived by the Collateral Agent, the Partnership can request a single LIL Drawdown under the Available LIL Construction Facility on account of the Demobilization Costs Drawdown immediately prior to the Commissioning Date, concurrently with the Punch List Costs Drawdown and the DSRA Drawdown (all such LIL Drawdowns being together the final LIL Drawdowns under the LIL Construction Facility) (and to the extent that the provisions of Section 7.9 are applicable, a WCR Release) but only if the following conditions are met to the satisfaction of the Collateral Agent, or, as the case may be, waived by the Collateral Agent:

- 7.5.1 the Collateral Agent and the Independent Engineer shall have received a LIL Draw Request within the time periods herein provided requesting a LIL Drawdown on the LIL Drawdown Date in an amount equal to the Demobilization Costs Drawdown together with:
- 7.5.1.1 other than in the case of a Final Funding Request delivered in May or November, a Final Funding Request on the fifth (5th) Business Day; and

7.5.1.2 in the case of a Final Funding Request delivered in May or November, a Final Funding Request on the seventh (7th) Business Day;

prior to the last day of the month during which such Final Funding Request shall have been delivered;

7.5.2 the Collateral Agent shall have received the Base Equity Contribution or Contingency Equity Contribution, as the case may be, in the proportion required pursuant to the definition of "Equity Rateable Share". The Collateral Agent acknowledges and agrees that such disbursement shall be made in accordance with and subject to Section 2.9 of the ESA and Section 2.4 of the ESG;

7.5.3 each of the Conditions Precedent to Commissioning (other than under subsections 7.7.6 and 7.7.14) has been met to the satisfaction of the Collateral Agent, or, as the case may be, waived by the Collateral Agent;

7.5.4 the Collateral Agent shall have determined that the amount of the requested LIL Drawdown is not greater than the Available LIL Construction Facility (taking into account the concurrent Punch List Costs Drawdown and DSRA Drawdown);

7.5.5 except to the extent that they are stated to be made as of a specific date, the representations and warranties made under this Agreement are true, accurate and complete in all material respects as of the date of such requested LIL Drawdown; and

7.5.6 no LIL Event of Default shall have occurred and be continuing.

7.6 **Conditions Precedent to LIL Drawdown under the LIL Construction Facility on Account of the DSRA Drawdown**

Subject to and upon compliance with all of the relevant terms and conditions of this Agreement, following the LIL Initial Conditions Precedent and the First LIL Drawdown Conditions Precedent having been met or, as the case may be, waived by the Collateral Agent, the Partnership can request a single LIL Drawdown under the Available LIL Construction Facility on account of the DSRA Drawdown immediately prior to the Commissioning Date, concurrently with the Demobilization Costs Drawdown and the Punch List Costs Drawdown (all such LIL Drawdowns being together the final LIL Drawdowns under the LIL Construction Facility) (and to the extent that the provisions of Section 7.9 are applicable, a WCR Release) but only if the following conditions are met to the satisfaction of the Collateral Agent, or, as the case may be, waived by the Collateral Agent:

7.6.1 the Collateral Agent and the Independent Engineer shall have received a LIL Draw Request within the time periods herein provided requesting a

LIL Drawdown on the LIL Drawdown Date in an amount equal to the DSRA Drawdown together with:

7.6.1.1 other than in the case of a Final Funding Request delivered in May or November, a Final Funding Request on the fifth (5th) Business Day; and

7.6.1.2 in the case of a Final Funding Request delivered in May or November, a Final Funding Request on the seventh (7th) Business Day;

prior to the last day of the month during which such Final Funding Request shall have been delivered;

7.6.2 the Collateral Agent shall have received the DSRA Equity Contribution. The Collateral Agent acknowledges and agrees that such disbursement shall be made in accordance with and subject to Section 2.9 of the ESA and Section 2.4 of the ESG;

7.6.3 each of the Conditions Precedent to Commissioning (other than under subsections 7.7.6 and 7.7.15) has been met to the satisfaction of the Collateral Agent, or, as the case may be, waived by the Collateral Agent;

7.6.4 the Collateral Agent shall have determined that the amount of the requested LIL Drawdown is not greater than the Available LIL Construction Facility (taking into account the concurrent Punch List Costs Drawdown and Demobilization Costs Drawdown);

7.6.5 except to the extent that they are stated to be made as of a specific date, the representations and warranties made under this Agreement are true, accurate and complete in all material respects as of the date of such requested LIL Drawdown; and

7.6.6 no LIL Event of Default shall have occurred and be continuing.

7.7 **Conditions Precedent to Commissioning**

The Commissioning Date shall occur upon all of the following conditions precedent (the "**Conditions Precedent to Commissioning**") having been met to the satisfaction of the Collateral Agent or, as the case may be, waived by the Collateral Agent, the whole by no later than the Date Certain:

7.7.1 the Collateral Agent and the Independent Engineer shall have received the Commissioning Certificate;

7.7.2 the Collateral Agent shall have received, in form and substance satisfactory to the Collateral Agent, a certificate from the Independent Engineer, certifying, *inter alia*, that in its opinion all information, opinions and calculations given

and made in the Commissioning Certificate are reasonable and accurate in all material respects and have been verified by the Independent Engineer and that:

- 7.7.2.1 Commissioning Tests have been achieved and it has no reason to believe that the Project has not been constructed in all material respects in accordance with the Project Plans and Good Utility Practice; and
- 7.7.2.2 the commissioning and interconnection tests have been performed and met in accordance with the Material Project Documents.
- 7.7.3 the Collateral Agent shall have received, in form and substance satisfactory to the Collateral Agent, updated execution search reports and certificates from the Obligors' Real Property Counsel, dated no earlier than three (3) Business Days prior to the Commissioning Date, indicating that since the effective date of the most recent execution search reports and certificates delivered hereunder, no Liens other than Permitted Encumbrances have been registered against any of such of the LIL Real Property Interests as are in existence as at such time;
- 7.7.4 the Collateral Agent shall have received a written confirmation from the Obligors' Real Property Counsel or such other evidence, in form and substance satisfactory to the Collateral Agent, that, as regards such of the LIL Real Property Interests as are in existence as at such time, all realty taxes that are due and payable have been fully paid;
- 7.7.5 the Collateral Agent shall have received evidence, in form and substance satisfactory to the Collateral Agent, that all contractors, subcontractors and other Persons working on the construction or towards the Commissioning of the Project have been paid all amounts owing to them pursuant to the Material Project Documents other than Punch List Items and Demobilization List Items;
- 7.7.6 the Collateral Agent shall have received evidence, in form and substance satisfactory to the Collateral Agent, of the establishment and funding of the DSRA, the Partnership Punch List Costs Account and the Partnership Demobilization Costs Account as required by the terms hereof;
- 7.7.7 the Collateral Agent shall have received evidence satisfactory to the Collateral Agent that all work on the Project requiring inspection as of such date by any Governmental Authorities having jurisdiction has been duly inspected and approved by such authorities and that any certificates or notices required to be issued in connection therewith have been issued by such Governmental Authorities, that all parties performing such work have been or will be paid for such work and that no Liens or application therefor have been filed;

- 7.7.8 the Partnership shall have provided access to the Independent Engineer, to copies of all the relevant operating and maintenance manuals in respect of the Project, as have been provided in final form by the relevant vendors and suppliers;
- 7.7.9 the Collateral Agent shall have received, in form and substance satisfactory to the Collateral Agent, without duplication of any item already received hereunder, copies of certificates of insurance evidencing all insurance covering each of the Partnership and Opco and required to be maintained by each of the Partnership and Opco pursuant to Section 10.6 and naming the Collateral Agent and the LIL Security Trustee as additional insured and, if appropriate, as first loss payees, accompanied with a satisfactory mortgage clause;
- 7.7.10 each of the Partnership and Opco shall have or have had obtained all Authorizations (to the extent not already obtained) which under Applicable Law are necessary to obtain or have obtained, in the opinion of the Collateral Agent in connection with the operation of the Project, none of the foregoing being subject to any condition or containing any qualifications unsatisfactory to the Collateral Agent, without duplication of any item already received hereunder, and all applicable waiting periods shall have expired;
- 7.7.11 without duplication of any item already received hereunder, the Collateral Agent shall have received a certificate of compliance issued by the Workplace Safety and Insurance Board certifying compliance with the *Workplace Health, Safety and Compensation Act* (NL) including payments due, if any, thereunder;
- 7.7.12 the Collateral Agent shall have received a copy of the signed execution version of the MSA, which shall be in form and substance satisfactory to the Collateral Agent;
- 7.7.13 Each of the conditions precedent set forth in Section 7.4 shall have been met to the satisfaction of the Collateral Agent, or, as the case may be, waived by the Collateral Agent;
- 7.7.14 Each of the conditions precedent set forth in Section 7.5 shall have been met to the satisfaction of the Collateral Agent, or, as the case may be, waived by the Collateral Agent;
- 7.7.15 Each of the conditions precedent set forth in Section 7.6 shall have been met to the satisfaction of the Collateral Agent, or, as the case may be, waived by the Collateral Agent, provided, however, that if the initial funding of the DSRA occurs on the DSRA Prefunding, this condition precedent shall not apply.

Once all of the conditions precedent set forth in this Section 7.7 shall have been met to the satisfaction of the Collateral Agent or, as the case may be, waived by the Collateral Agent, the Collateral Agent shall issue the Commissioning Confirmation.

7.8 **Conditions Precedent to WCR Release from the Working Capital Reserve Account at any Time during the Construction Period**

Subject to and upon compliance with all of the relevant terms and conditions of this Agreement, at any time during the Construction Period, following the LIL Initial Conditions Precedent and the First LIL Drawdown Conditions Precedent having been met or, as the case may be, waived by the Collateral Agent (and provided that the WCR Release Date occurs between two successive LIL Drawdown Dates), the Partnership can request at any time and from time to time a WCR Release from the Working Capital Reserve Account for deposit into the Partnership Project Operating Account but only if the following conditions are met to the satisfaction of the Collateral Agent, or, as the case may be, waived by the Collateral Agent:

- 7.8.1 the Collateral Agent and the Independent Engineer shall have received a WCR Release and Equity Funding Notice at least one (1) Business Day prior to the WCR Release Date requesting a WCR Release on the WCR Release Date in an amount that is less than or equal to the amount on deposit in the Working Capital Reserve Account at such time. Each WCR Release and Equity Funding Notice:
 - 7.8.1.1 shall provide information sufficient to justify the necessity to fund Eligible Project Costs by way of WCR Release prior to the subsequent LIL Drawdown Date; and
 - 7.8.1.2 where the amount on deposit in the Working Capital Reserve Account is insufficient for the purposes of defraying Eligible Project Costs to be paid on the WCR Release Date, and consequently an equity Investment in the Partnership is intended to be made in an amount equal to the difference between such Project Costs and such amount on deposit in the Working Capital Reserve Account, the WCR Release and Equity Funding Notice shall provide notice of such equity Investment;
- 7.8.2 except to the extent that they are stated to be made as of a specific date, the representations and warranties made under this Agreement are true, accurate and complete in all material respects as of the date of such requested WCR Release; and
- 7.8.3 no LIL Event of Default shall have occurred and be continuing.

7.9 **Conditions Precedent to WCR Release from the Working Capital Reserve Account for Purposes of LIL Drawdowns**

Subject to and upon compliance with all of the relevant terms and conditions of this Agreement, at any time during the Construction Period, following the LIL Initial Conditions Precedent and the First LIL Drawdown Conditions Precedent having been met or, as the case may be, waived by the Collateral Agent (and where the Available LIL Construction Facility is nil, or where as a result of a LIL Drawdown that is to be concurrent with the relevant WCR Release, the Available LIL Construction Facility will be nil), the Partnership can request at any time and from time to time a WCR Release from the Working Capital Reserve Account for purposes of effecting a LIL Drawdown and for deposit into the Partnership Project Funding Account but only if the following conditions are met to the satisfaction of the Collateral Agent, or, as the case may be, waived by the Collateral Agent:

- 7.9.1 if such WCR Release is requested in connection with a funding of Eligible Project Costs other than Punch List Costs, Demobilization Costs and the DSRA, the conditions precedent set forth in Section 7.3 shall apply, *mutatis mutandis*; or
- 7.9.2 if such WCR Release is requested in connection with a funding of Punch List Costs, Demobilization Costs and the DSRA, the conditions precedent set forth in Sections 7.4, 7.5, 7.6 and 7.7 shall apply, *mutatis mutandis*.

ARTICLE 8

LIL PROJECT ACCOUNTS AND APPLICATION OF FUNDS

8.1 **Partnership Project Funding Account**

On or prior to the Closing Date, the Partnership shall establish with the Collateral Agent an account called "Partnership – Project Funding Account" at the Collateral Agent's Office (the "**Partnership Project Funding Account**").

8.1.1 During the Construction Period:

- 8.1.1.1 there shall be deposited directly into the Partnership Project Funding Account (i) the proceeds of all Advances under the LIL Construction Facility made under this Agreement, other than (a) Advances under the LIL Construction Facility made under this Agreement required to fund the Debt Rateable Share of the Minimum DSRA Requirement, (b) the Punch List Costs Drawdown, (c) the Demobilization Costs Drawdown, (d) Advances under the LIL Construction Facility made under this Agreement required to fund the Minimum WCR Requirement, and (e) an Advance under the LIL Construction Facility made under subsection 2.9.2, (ii) the proceeds of all Advances under the

LIL Construction Facility made under this Agreement required to fund the Debt Rateable Share of the Minimum DSRA Requirement, (iii) the Punch List Costs Drawdown, (iv) the Demobilization Costs Drawdown, (v) the proceeds of all Advances under the LIL Construction Facility made under this Agreement required to fund the Minimum WCR Requirement, (vi) by Nalcor or Nalcor LP, the proceeds of any Base Equity Contribution, as provided for pursuant to Section 2.3 of the ESA, (vii) by Nalcor or Nalcor LP, the proceeds of any Contingency Equity Contribution, as provided for pursuant to Section 2.4 of the ESA, (viii) by Emera LP, the proceeds of any portion of any Base Equity Contribution or Contingency Equity Contribution required to be paid on such date, as provided for pursuant to Section 2.6 of the ESA, (ix) the proceeds of any Additional Debt, (x) by NL Crown, any amount paid with respect to the Base Equity Contribution, as provided for pursuant to paragraph 2.3.1.1 or paragraph 2.3.2.1 of the ESG, (xi) by NL Crown, any amount paid with respect to the Contingency Equity Contribution, as provided for pursuant to paragraphs 2.3.1.2 or 2.3.2.2 of the ESG, (xii) by NL Crown, any amount paid on account of interest pursuant to Section 2.6 of the ESG, (xiii) by Nalcor or Nalcor LP, the proceeds of any DSRA Equity Contribution, as provided for pursuant to Section 2.5 of the ESA, (xiv) by Emera LP, the proceeds of any portion of any DSRA Equity Contribution required to be paid on such date, as provided for pursuant to Section 2.6 of the ESA, (xv) by NL Crown, any amount paid with respect to the DSRA Equity Contribution as provided for pursuant to paragraph 2.3.1.3 or subsection 2.3.3 of the ESG, (xvi) any amounts to be transferred into the Partnership Project Funding Account pursuant to subsections 8.3.3 and 8.3.4 and paragraphs 8.9.2.2 and 8.10.2.3 (xvii) all reimbursements from Governmental Authorities of Sales Taxes, and (xviii) any other amounts received by the Partnership (or, as the case may be, the LIL Security Trustee, in the case of insurance proceeds) during the Construction Period, including insurance or warranty proceeds (but, with respect to insurance proceeds relating to any damage or destruction of the Project, only to the extent they are deposited into the Partnership Project Funding Account pursuant to paragraph 8.6.1.3), liquidated damages and any amounts due and payable to the Partnership pursuant to the LIL Assets Agreement, other than Prepaid Rent (which shall be deposited directly into the Prepaid Rent Reserve Account pursuant to paragraph 8.4.1.1), but excluding the proceeds of any equity Investment to which reference is made in paragraph 7.8.1.2, which shall be deposited directly into the Partnership Project Operating Account pursuant to paragraph 8.2.2.1;

- 8.1.1.2 amounts in the Partnership Project Funding Account (other than amounts contemplated in paragraphs 8.1.1.3, 8.1.1.4, 8.1.1.5 or 8.1.1.6) shall be transferred only to the Partnership Project Operating Account to fund withdrawals from the Partnership Project Operating Account pursuant to an approved Funding Request, subject to the application of funds in the following order of priority: to pay **(a)** firstly, rateably, the Various Agent Costs and Expenses, **(b)** secondly, the Intermediary Trust Project Costs and Expenses, **(c)** thirdly, the Funding Vehicle Project Costs and Expenses, **(d)** fourthly, the Canada Project Costs and Expenses and **(e)** fifthly, the Other Project Costs, including for purposes of effecting any Sinking Fund Payments into the Sinking Fund Account and effecting a DSRA Prefunding;
- 8.1.1.3 amounts in the Partnership Project Funding Account deposited therein pursuant to clause (v) of paragraph 8.1.1.1 shall be transferred only to the Working Capital Reserve Account;
- 8.1.1.4 amounts in the Partnership Project Funding Account deposited therein pursuant to clauses (ii), (xii) (to the extent the amount deposited pursuant to such clause (xii) relates to the DSRA Equity Contribution), (xiii), (xiv) or (xv) of paragraph 8.1.1.1 shall be transferred only to the DSRA;
- 8.1.1.5 amounts in the Partnership Project Funding Account deposited therein pursuant to clause (iii) of paragraph 8.1.1.1 or, for purposes of defraying the Punch List Costs, pursuant to clauses (vi), (vii), (viii), (ix), (x), (xi) or (xii) of paragraph 8.1.1.1, shall be transferred only to the Punch List Costs Account;
- 8.1.1.6 amounts in the Partnership Project Funding Account deposited therein pursuant to clause (iv) of paragraph 8.1.1.1 or, for purposes of defraying the Demobilization Costs, pursuant to clauses (vi), (vii), (viii), (ix), (x), (xi) or (xii) of paragraph 8.1.1.1, shall be transferred only to the Demobilization Costs Account;
- 8.1.1.7 funds in the Partnership Project Funding Account and forming part of the Aggregate Partnership Project Funding Account and Operating Account Balances shall remain in the Partnership Project Funding Account to be applied for purposes of subsequent Funding Requests as per clause (iv) of the definition of "Funding Request", or, as applicable, the Final Funding Request as per clauses (v), (vi), (vii), (viii) and (xvii) of the definition of "Final Funding Request".

8.1.2 During the Operating Period:

8.1.2.1 there shall be deposited directly into the Partnership Project Funding Account: (i) any amounts paid as Rent by Opco (other than Prepaid Rent received during the Operating Period on account of a subsequent Operating Year, which shall be deposited directly into the Prepaid Rent Reserve Account pursuant to paragraph 8.4.1.1, and the Rent Attributable to Debt Service, which shall be deposited directly into the Prepaid Debt Service Escrow Account pursuant to paragraph 8.17.1.1), as provided for pursuant to Article 3 of the LIL Lease and Section 6 of the Partnership Step-In Agreement, (ii) any amounts to be transferred into the Partnership Project Funding Account on account of Prepaid Rent pursuant to paragraph 8.4.2.2, (iii) the proceeds of any Additional Debt (other than the proceeds of Additional Debt used by the Partnership to pay Sustaining Costs pursuant to Section 7.1 of the LIL Lease), (iv) any amounts to be transferred into the Partnership Project Funding Account pursuant to subsections 8.3.3 and 8.3.4 and paragraphs 8.6.1.3, 8.10.2.2, 8.10.2.3 and 8.17.1.2, (v) all reimbursements from Governmental Authorities of Sales Taxes, and (vi) any other amounts received by the Partnership (or, as the case may be, the LIL Security Trustee, in the case of insurance proceeds) during the Operating Period, including insurance or warranty proceeds, liquidated damages and any amounts due and payable to the Partnership pursuant to the LIL Lease (other than Rent) or the LIL Remedies Agreement, but excluding (A) Prepaid Rent received during the Operating Period on account of a subsequent Operating Year, which shall be deposited directly into the Prepaid Rent Reserve Account pursuant to paragraph 8.4.2.1 and (B) Rent Attributable to Debt Service, which shall be deposited directly into the Prepaid Debt Service Escrow Account pursuant to paragraph 8.17.1.1 and (C) any Investments in the Partnership or any proceeds of Additional Debt, in each case intended to be used by the Partnership to pay Sustaining Costs pursuant to Section 7.1 of the LIL Lease, which shall be deposited directly into the Partnership Project Operating Account pursuant to paragraph 8.2.3.1.

8.1.2.2 funds in the Partnership Project Funding Account shall be applied from time to time in the following order of priority:

- (a) firstly, paid to the Partnership Project Operating Account for rateable application towards the Various Agent Costs and Expenses due and payable;

- (b) secondly, paid to the Partnership Project Operating Account for application towards the Intermediary Trust Project Costs and Expenses;
- (c) thirdly, paid to the Partnership Project Operating Account for application towards the Funding Vehicle Project Costs and Expenses;
- (d) fourthly, paid to the Partnership Project Operating Account for application towards the Canada Project Costs and Expenses;
- (e) fifthly, paid to the Partnership Project Operating Account for application towards operating costs of the Partnership currently due and payable or reasonably foreseeable for the next thirty (30) days and with respect to which funds have not already been withdrawn from the Partnership Project Operating Account, as well as those of each of the Intermediary Trust and the Funding Vehicle, including taxes as well as all other payments required to be made by the Administrator under the terms of the Administration Agreement and the IT Administrator under the terms of the IT Administration Agreement;
- (f) sixthly, at any time that any amount is due and payable to Opco pursuant to Section 3.3 of the LIL Lease, paid to the Opco Project Funding Account;
- (g) seventhly, at any time that any such amount is due, paid to the Partnership Project Operating Account for rateable application towards the payment of (i) all interest in respect of the LIL Construction Loan then due and payable; (ii) all principal on the LIL Construction Loan, any LIL Make-Whole Amount and any amount to be paid into the Sinking Fund Account then due and payable and (iii) all breakage costs and other losses and expenses then due and payable pursuant to the provisions of the Consolidated Transaction Documents;
- (h) eighthly, from time to time, paid to the DSRA, up to such amounts as may be required in order for the total amount on deposit in the DSRA to be equal to the then Minimum DSRA Requirement, for application in accordance with subsection 8.3.2;
- (i) ninthly, paid to the Partnership Project Operating Account for application towards payment of any amounts due and

payable under Additional Debt, including principal and interest, and fees, costs and expenses; and

- (j) tenthsly, on Distribution Dates, (i) provided that the Distribution Conditions are then met, all Distribution Funds in the Partnership Project Funding Account shall be released and applied at the Partnership's option, or (ii) if the Distribution Conditions are not then met, all such amounts shall be deposited to and retained in the Partnership Distribution Reserve Account for application in accordance with the terms of subsection 8.5.1.

8.2 **Partnership Project Operating Account**

On or prior to the Closing Date, the Partnership shall establish with the Collateral Agent an account called "Partnership – Operating Account" at the Collateral Agent's Office (the "**Partnership Project Operating Account**").

8.2.1 From time to time, there shall be transferred to the Partnership Project Operating Account all amounts required to be paid thereto from the Partnership Project Funding Account in accordance with the provisions of subsections 8.1.1 and 8.1.2.

8.2.2 During the Construction Period:

8.2.2.1 there shall be deposited directly into the Partnership Project Operating Account (i) all amounts to be paid thereto from the Working Capital Reserve Account in accordance with the provisions of paragraph 8.9.2.1 and (ii) the proceeds of any equity Investment to which reference is made in paragraph 7.8.1.2;

8.2.2.2 funds in the Partnership Project Operating Account (other than funds contemplated in paragraph 8.2.2.1) may be withdrawn from the Partnership Project Operating Account, but only to the extent applied in accordance with subsection 8.1.1.2, *mutatis mutandis*;

8.2.2.3 funds in the Partnership Project Operating Account deposited therein pursuant to paragraph 8.2.2.1 shall be applied exclusively to the payment of the Project Costs with respect to which the corresponding WC Release and Equity Funding Notice was issued; and

8.2.2.4 funds in the Partnership Project Operating Account and forming part of the Aggregate Partnership Project Funding Account and Operating Account Balances shall remain in the Partnership Project Operating Account to be applied for purposes of subsequent Funding Requests as per clauses (iv) of the definition of "Funding Request", or, as applicable, the Final Funding Request

as per clauses (v), (vi), (vii), (viii) and (xvii) of the definition of "Final Funding Request".

8.2.3 During the Operating Period:

8.2.3.1 there shall be deposited directly into the Partnership Project Operating Account any Investments in the Partnership or any proceeds of Additional Debt, in each case intended to be used by the Partnership to pay Sustaining Costs pursuant to Section 7.1 of the LIL Lease;

8.2.3.2 funds in the Partnership Project Operating Account (other than funds contemplated in paragraph 8.2.3.1) may be withdrawn from the Partnership Project Operating Account, but only to the extent applied in accordance with, including as to the order of priority, clauses (a), (b), (c), (d), (e), (g) and (i) of paragraph 8.1.2.2, *mutatis mutandis*.

8.2.3.3 funds deposited in the Partnership Project Operating Account pursuant to paragraph 8.2.3.1 shall be transferred to the Opco Project Operating Account to be applied by Opco as set forth in paragraph 8.12.3.2

8.3 **DSRA**

Prior to the Closing Date, the Partnership shall establish with the Collateral Agent an account called "Partnership – DSRA" at the Collateral Agent's Office (the "**DSRA**").

8.3.1 In the case of an initial funding of the DSRA (i) immediately prior to the Commissioning Date or on the DSRA Prefunding, as the case may be, there shall be transferred to the DSRA all amounts required to be paid thereto from the Partnership Project Funding Account in accordance with the provisions of paragraph 8.1.1.4 and (ii) immediately prior to the Commissioning Date, if applicable, there shall be transferred to the DSRA an amount equal to the amount calculated pursuant to paragraph (vi) of the definition of "Final Funding Request";

8.3.2 During the Operating Period, or during the Construction Period, in the event that the initial funding of the DSRA occurs on the DSRA Prefunding, at any time where the total amount on deposit in the DSRA is less than the Minimum DSRA Requirement as at such time, there shall be deposited directly into the DSRA amounts on deposit in the Partnership Project Funding Account in excess of the amounts applied pursuant to clauses (a) to (g) of paragraph 8.1.2.2 until the total amount on deposit in the DSRA equals the then Minimum DSRA Requirement;

8.3.3 During the Operating Period, or during the Construction Period, in the event that the initial funding of the DSRA occurs on the DSRA Prefunding, on a

monthly basis at any time where the total amount on deposit in the DSRA exceeds the Minimum DSRA Requirement as at such time, the amount of such excess shall be transferred to the Partnership Project Funding Account;

- 8.3.4 During the Operating Period, or during the Construction Period, in the event that the initial funding of the DSRA occurs on the DSRA Prefunding, on a monthly basis at any time that there shall be on deposit in the DSRA any LIL Income on Account Balances, such LIL Income on Account Balances shall be transferred to the Partnership Project Funding Account.

8.4 **Prepaid Rent Reserve Account**

On or prior to the Closing Date, the Partnership shall establish with the Collateral Agent an account called "Partnership – Prepaid Rent Reserve Account" at the Collateral Agent's Office (the "**Prepaid Rent Reserve Account**").

8.4.1 During the Construction Period:

8.4.1.1 there shall be deposited directly into the Prepaid Rent Reserve Account the proceeds of any Prepaid Rent, as provided for pursuant to Section 4.2 of the LIL Assets Agreement and Section 6 of the Partnership Step-In Agreement.

8.4.1.2 from time to time, provided no LIL Event of Default shall have occurred and be continuing, all Income on Prepaid Rent shall be released and applied at the Partnership's option.

8.4.2 During the Operating Period:

8.4.2.1 there shall be deposited directly into the Prepaid Rent Reserve Account the proceeds of any Prepaid Rent, as provided for pursuant to Section 3.7 of the LIL Lease and Section 6 of the Partnership Step-In Agreement.

8.4.2.2 concurrently with any deposit into the Partnership Project Funding Account pursuant to paragraph 8.1.2.1 of any amount paid as Rent by Opco during any month pursuant to paragraph 3.2(b) of the LIL Lease, an amount representing 1/12 of any Prepaid Rent previously paid by Opco with respect to the Operating Year within which such month occurs shall be transferred to the Partnership Project Funding Account.

8.4.2.3 from time to time, provided no LIL Event of Default shall have occurred and be continuing, all Income on Prepaid Rent shall be released and applied at the Partnership's option.

8.5 **Partnership Distribution Reserve Account**

Prior to the Commissioning Date, the Partnership shall establish with the Collateral Agent in the name of the Partnership an account entitled "Partnership – Distribution Reserve Account" at the Collateral Agent's Office (the "**Partnership Distribution Reserve Account**").

8.5.1 During the Operating Period:

8.5.1.1 there shall be deposited, from time to time, into the Partnership Distribution Reserve Account amounts on deposit in the Partnership Project Funding Account in excess of the amounts applied pursuant to clauses (a) to (i) of paragraph 8.1.2.2 and which are required to be deposited therein pursuant to clause (j) of paragraph 8.1.2.2.

8.5.1.2 from time to time, on Distribution Dates, funds in the Partnership Distribution Reserve Account shall be released and applied at the Partnership's option, provided that all of the Distribution Conditions are then met.

8.6 **Partnership Insurance Reserve Account**

Prior to the Closing Date, the Partnership shall establish with the Collateral Agent in the name of the Partnership an account entitled "Partnership – Insurance Reserve Account" at the Collateral Agent's Office (the "**Partnership Insurance Reserve Account**").

8.6.1 During the Construction Period:

8.6.1.1 there shall be deposited, from time to time, into the Partnership Insurance Reserve Account the insurance proceeds contemplated in paragraph 10.6.5.1 to be released and applied by the Partnership to the repair and restoration of the Project.

8.6.1.2 there shall be deposited, from time to time, into the Partnership Insurance Reserve Account the insurance proceeds contemplated in paragraphs 10.6.5.2 and 10.6.5.3 to be released and applied by the Partnership to the repair and restoration of the Project, subject to the Repair Conditions having been satisfied and to the provisions of subsection 10.6.6.

8.6.1.3 insurance proceeds remaining in the Partnership Insurance Reserve Account following the application of paragraphs 8.6.1.1 and 8.6.1.2, and to the extent the repairs and restorations intended to be effected with such insurance proceeds have been fully completed, shall be deposited into the Partnership Project Funding Account.

8.6.2 Immediately prior to the Commissioning Date, to the extent the repairs and restorations intended to be effected with the insurance proceeds remaining in the Partnership Insurance Reserve Account at such time have not been completed, such insurance proceeds shall be transferred to the Opco Insurance Reserve Account.

8.7 **Partnership Punch List Costs Account**

Prior to the Commissioning Date, the Partnership shall establish with the Collateral Agent in the name of the Partnership an account entitled "Partnership – Punch List Costs Account" at the Collateral Agent's Office (the "**Partnership Punch List Costs Account**").

8.7.1 Immediately prior to the Commissioning Date, there shall be transferred into the Partnership Punch List Costs Account:

8.7.1.1 all amounts to be paid thereto from the Partnership Project Funding Account in accordance with the provisions of paragraph 8.1.1.5; and

8.7.1.2 an amount equal to the amount calculated pursuant to paragraph (vii) of the definition of "Final Funding Request";

8.7.2 On or about the Commissioning Date, funds in the Partnership Punch List Costs Account shall be transferred to the Opco Punch List Costs Account to be applied by Opco as set forth in subsection 8.15.3.

8.8 **Partnership Demobilization Costs Account**

Prior to the Commissioning Date, the Partnership shall establish with the Collateral Agent in the name of the Partnership an account entitled "Partnership – Demobilization Costs Account" at the Collateral Agent's Office (the "**Partnership Demobilization Costs Account**").

8.8.1 Immediately prior to the Commissioning Date, there shall be transferred into the Partnership Demobilization Costs Account:

8.8.1.1 all amounts to be paid thereto from the Partnership Project Funding Account in accordance with the provisions of paragraph 8.1.1.6; and

8.8.1.2 an amount equal to the amount calculated pursuant to paragraph (viii) of the definition of "Final Funding Request";

8.8.2 On or about the Commissioning Date, funds in the Partnership Demobilization Costs Account shall be transferred to the Opco Demobilization Costs Account to be applied by Opco as set forth in subsection 8.16.3.

8.9 Working Capital Reserve Account

On or prior to the Closing Date, the Partnership shall establish with the Collateral Agent an account called "Partnership – Working Capital Reserve Account" at the Collateral Agent's Office (the "**Working Capital Reserve Account**").

8.9.1 Pursuant to the first LIL Drawdown pursuant to Section 7.2 and from time to time thereafter, there shall be transferred to the Working Capital Reserve Account all amounts required to be paid thereto from the Partnership Project Funding Account in accordance with the provisions of paragraph 8.1.1.3;

8.9.2 During the Construction Period:

8.9.2.1 subject to subsection 8.9.3, funds in the Working Capital Reserve Account may be withdrawn from the Working Capital Reserve Account for deposit into the Partnership Project Operating Account, the whole subject to Section 7.8;

8.9.2.2 at any time that there shall be on deposit in the Working Capital Reserve Account any LIL Income on Account Balances, such LIL Income on Account Balances shall be transferred to the Partnership Project Funding Account.

8.9.3 Immediately prior to the Commissioning Date, funds in the Working Capital Reserve Account and forming part of the Working Capital Reserve Account Balance shall be applied for purposes of the Final Funding Request as per clauses (v), (vi), (vii), (viii) and (xvii) of the definition of "Final Funding Request".

8.10 Sinking Fund Account

Prior to the Closing Date, the Partnership shall establish with the Collateral Agent in the name of the Partnership an account entitled "Partnership – Sinking Fund Account" at the Collateral Agent's Office (the "**Sinking Fund Account**").

8.10.1 On the date of the Advance relating to the Final Funding Request, there shall be deposited into the Sinking Fund Account the amounts required to be deposited therein pursuant to Section 2.9;

8.10.2 Starting from the first Sinking Fund Deposit Date:

8.10.2.1 there shall be deposited, from time to time, into the Sinking Fund Account the amounts required to be deposited therein pursuant to clause (e) of paragraph 8.1.1.2 and paragraph 8.2.2.2, and paragraph 8.2.3.2 and clause (g) of paragraph 8.1.2.2;

8.10.2.2 there shall be transferred, on each of the Tranche A Maturity Date, Tranche B Maturity Date and Tranche C Maturity Date, from the

Sinking Fund Account to the Partnership Project Funding Account an amount equal to the lesser of the amount then on deposit in the Sinking Fund Account and the amount of principal on the LIL Construction Loan then due and payable; and

- 8.10.2.3 on a monthly basis, at any time that there shall be on deposit in the Sinking Fund Account any LIL Income on Account Balances, such LIL Income on Account Balances shall be transferred to the Partnership Project Funding Account, provided, however, that the balance remaining thereafter in the Sinking Fund Account is not less than the amount indicated in Schedule "Y" with respect to the date of the proposed transfer.

8.11 **Opco Project Funding Account**

On or prior to the Closing Date, Opco shall establish with the Collateral Agent an account called "Opco – Project Funding Account" at the Collateral Agent's Office (the "**Opco Project Funding Account**").

8.11.1 During the Construction Period:

- 8.11.1.1 there shall be deposited directly into the Opco Project Funding Account: (i) all reimbursements from Governmental Authorities of Sales Taxes, (ii) any Investments in Opco, the proceeds of which are used by Opco to pay Prepaid Rent pursuant to Article 4 of the LIL Assets Agreement, (iii) any other Investments in Opco to be used for the general corporate purposes of Opco and (iv) any other amounts received by Opco (or, as the case may be, the LIL Security Trustee, in the case of insurance proceeds) during the Construction Period, including insurance or warranty proceeds, or liquidated damages.

- 8.11.1.2 funds in the Opco Project Funding Account (other than amounts contemplated in paragraph 8.11.1.3) shall be from time to time paid to the Opco Project Operating Account for application towards the payment of any due and payable obligation of Opco pursuant to the LIL Assets Agreement or otherwise.

- 8.11.1.3 amounts in the Opco Project Funding Account deposited therein pursuant to clause (ii) of paragraph 8.11.1.1 shall, at the direction of Opco to the Collateral Agent, be transferred directly into the Prepaid Rent Reserve Account.

8.11.2 During the Operating Period:

- 8.11.2.1 there shall be deposited directly into the Opco Project Funding Account: (i) any amounts paid as TFA Payments by NLH, as provided for pursuant to Section 3.1 of the TFA and Section 6 of

the Opco Step-in Agreement, **(ii)** any Investment in Opco, the proceeds of which are used by Opco to pay Prepaid Rent pursuant to Article 3 of the LIL Lease, **(iii)** all reimbursements from Governmental Authorities of Sales Taxes, and **(iv)** any other amounts received by Opco (or, as the case may be, the LIL Security Trustee, in the case of insurance proceeds) during the Operating Period, including insurance or warranty proceeds (but, with respect to insurance proceeds relating to any damage or destruction of the Project, only to the extent they are deposited into the Opco Project Funding Account pursuant to paragraph 8.14.2.3), or liquidated damages, excluding the amounts described in clause (v) of subsection 8.12.1

8.11.2.2 funds in the Opco Project Funding Account (other than amounts contemplated in subsections 8.11.2.3 and 8.11.2.4) shall be applied from time to time in the following order of priority:

- (a) firstly, at any time that an amount is to be transferred to the Partnership Project Funding Account from the Prepaid Rent Reserve Account pursuant to paragraph 8.4.2.2, **(i)** provided no LIL Event of Default shall at such time have occurred and be continuing, an amount equal to the amount so transferred pursuant to paragraph 8.4.2.2 shall be released from the Opco Project Funding Account and applied at Opco's option, or **(ii)** if a LIL Event of Default shall at such time have occurred and be continuing, an amount equal to the amount so transferred pursuant to paragraph 8.4.2.2 shall be transferred from the Opco Project Funding Account to the Opco Distribution Reserve Account and retained therein for application in accordance with Section 8.13.1;
- (b) secondly, in payment of any amounts that Opco may be required to pay from time to time under the LIL Opco Guarantee, provided, however, that such amounts constitute interest, fees, Sinking Fund Payments and any amounts of principal which are due as at such time, any accelerated amount of principal being expressly excluded save and except in the circumstances contemplated under Section 2.4(a) of the LIL Remedies Agreement;
- (c) thirdly, paid to the Opco Project Operating Account for application towards the payment of Rent (other than Prepaid Rent), as provided for pursuant to Article 3 of the LIL Lease;

- (d) fourthly, paid to the Opco Project Operating Account for application towards the payment of Operating and Maintenance Costs and, as may be required pursuant to the terms of the LIL Remedies Agreement, Sustaining Costs;
- (e) fifthly, at any time that any amount is due and payable to NLH pursuant to Section 3.3 of the TFA, such amount shall be released and applied at Opco's option; and
- (f) sixthly, on a monthly basis, 1/12th of \$20,000, to be released and applied at Opco's option.

8.11.2.3 amounts in the Opco Project Funding Account deposited therein pursuant to clause (ii) of paragraph 8.11.2.1 and which are to be used by Opco to pay Prepaid Rent pursuant to Article 3 of the LIL Lease, shall, at the direction of Opco to the Collateral Agent, be transferred directly into the Prepaid Rent Reserve Account.

8.11.2.4 any portion of any amounts paid as TFA Payments, as provided for pursuant to Section 3.1 of the TFA and Section 6 of the Opco Step-In Agreement intended to be used by Opco for purposes of completing the Punch List Items or the Demobilization List Items, as the case may be, shall be transferred to the Opco Punch List Costs Account or the Opco Demobilization Costs Account, as applicable.

8.12 Opco Project Operating Account

On or prior to the Closing Date, Opco shall establish with the Collateral Agent an account called "Opco – Operating Account" at the Collateral Agent's Office (the "**Opco Project Operating Account**").

8.12.1 From time to time, there shall be transferred to the Opco Project Operating Account all amounts required to be paid thereto from (i) the Opco Project Funding Account in accordance with the provisions of subsections 8.11.1 and 8.11.2, (ii) the Partnership Project Operating Account in accordance with the provisions of paragraph 8.2.3.3, (iii) the Opco Punch List Costs Account in accordance with the provisions of subsection 8.15.4, (iv) the Opco Demobilization Costs Account in accordance with the provisions of subsection 8.16.4 and (v) any payments made by NLH pursuant to Section 2.5(a) of the LIL Remedies Agreement on account of Sustaining Costs.

8.12.2 During the Construction Period, funds in the Opco Project Operating Account may be withdrawn from the Opco Project Operating Account, but only to the extent applied in accordance with subsection 8.11.1.2, *mutatis mutandis*.

8.12.3 During the Operating Period:

- 8.12.3.1 funds in the Opco Project Operating Account (other than amounts contemplated in paragraphs 8.12.3.2, 8.12.3.3 and 8.12.3.4) may be withdrawn from the Opco Project Operating Account, but only to the extent applied in accordance with, including as to the order of priority, clauses (c) and (d) of subsection 8.11.2.2, *mutatis mutandis*.
- 8.12.3.2 amounts in the Opco Project Operating Account deposited therein pursuant to clauses (ii) and (v) of subsection 8.12.1 shall be applied towards the payment of Sustaining Costs.
- 8.12.3.3 amounts in the Opco Project Operating Account deposited therein pursuant to subsection 8.15.4 shall be applied towards the payment of Operating and Maintenance Costs.
- 8.12.3.4 amounts in the Opco Project Operating Account deposited therein pursuant to subsection 8.16.4 shall be applied towards the payment of Operating and Maintenance Costs.

8.13 **Opco Distribution Reserve Account**

Prior to the Commissioning Date, Opco shall establish with the Collateral Agent in the name of Opco an account entitled "Opco – Distribution Reserve Account" at the Collateral Agent's Office (the "**Opco Distribution Reserve Account**").

8.13.1 During the Operating Period:

- 8.13.1.1 there shall be deposited, from time to time, into the Opco Distribution Reserve Account the amounts required to be deposited therein pursuant to clause (a) of subsection 8.11.2.2.
- 8.13.1.2 from time to time, funds in the Opco Distribution Reserve Account shall be released and applied at Opco's option, provided that at such time no LIL Event of Default shall have occurred and be continuing.

8.14 **Opco Insurance Reserve Account**

Prior to the Commissioning Date, Opco shall establish with the Collateral Agent in the name of Opco an account entitled "Opco – Insurance Reserve Account" at the Collateral Agent's Office (the "**Opco Insurance Reserve Account**").

- 8.14.1 On or about the Commissioning Date, there shall be transferred into the Opco Insurance Reserve Account the amounts to be paid thereto from the Partnership Insurance Reserve Account in accordance with the provisions of subsection 8.6.2, to be released and applied by Opco in the same manner as if the provisions of paragraphs 8.6.1.1, 8.6.1.2 or 8.6.1.3, as the case may be, continued to apply.

8.14.2 During the Operating Period:

- 8.14.2.1 there shall be deposited, from time to time, into the Opco Insurance Reserve Account the insurance proceeds contemplated in paragraph 10.6.5.1 to be released and applied by Opco to the repair and restoration of the Project.
- 8.14.2.2 there shall be deposited, from time to time, into the Opco Insurance Reserve Account the insurance proceeds contemplated in paragraphs 10.6.5.2 and 10.6.5.3 to be released and applied by Opco to the repair and restoration of the Project, subject to the Repair Conditions having been satisfied and to provisions of subsection 10.6.6.
- 8.14.2.3 insurance proceeds remaining in the Opco Insurance Reserve Account following the application of paragraph 8.14.2.1 and 8.14.2.2, and to the extent the repairs and restorations intended to be effected with such insurance proceeds have been fully completed, shall be deposited into the Opco Project Funding Account.

8.15 **Opco Punch List Costs Account**

Prior to the Commissioning Date, Opco shall establish with the Collateral Agent in the name of Opco an account entitled "Opco – Punch List Costs Account" at the Collateral Agent's Office (the "**Opco Punch List Costs Account**").

- 8.15.1 On or about the Commissioning Date, there shall be transferred from the Partnership Punch List Costs Account into the Opco Punch List Costs Account the full amount referenced in subsection 8.7.1.
- 8.15.2 There shall be deposited, from time to time, into the Opco Punch List Costs Account the amounts to be transferred from the Opco Project Funding Account pursuant to subsection 8.11.2.4 in connection with the Punch List Items.
- 8.15.3 Funds in the Opco Punch List Costs Account shall be applied from time to time towards payment of the Punch List Costs, as same become due and payable, subject to Opco providing the Collateral Agent with a prior written notice of its intention to withdraw sums from the Opco Punch List Costs Account for the purpose of funding Punch List Costs.
- 8.15.4 Funds remaining in the Opco Punch List Costs Account following completion of the Punch List Items in accordance with Section 10.20 shall be transferred to the Opco Project Operating Account to be applied towards the payment of Operating and Maintenance Costs.

8.16 **Opco Demobilization Costs Account**

Prior to the Commissioning Date, Opco shall establish with the Collateral Agent in the name of Opco an account entitled "Opco – Demobilization Costs Account" at the Collateral Agent's Office (the "**Opco Demobilization Costs Account**").

- 8.16.1 On or about the Commissioning Date, there shall be transferred from the Partnership Demobilization Costs Account into the Opco Demobilization Costs Account the full amount referenced in subsection 8.8.1.
- 8.16.2 There shall be deposited, from time to time, into the Opco Demobilization Costs Account the amounts to be transferred from the Opco Project Funding Account pursuant to subsection 8.11.2.4 in connection with the Demobilization List Items.
- 8.16.3 Funds in the Opco Demobilization Costs Account shall be applied from time to time towards payment of the Demobilization Costs, as same become due and payable, subject to Opco providing the Collateral Agent with a prior written notice of its intention to withdraw sums from the Opco Demobilization Costs Account for the purpose of funding Demobilization Costs.
- 8.16.4 Funds remaining in the Opco Demobilization Costs Account following completion of the Demobilization List Items in accordance with Section 10.20, shall be transferred to the Opco Project Operating Account to be applied towards the payment of Operating and Maintenance Costs.

8.17 **Prepaid Debt Service Escrow Account**

Prior to the Commissioning Date, the Partnership shall establish with the Collateral Agent in the name of the Partnership an account entitled "Partnership – Debt Service Escrow Account" at the Collateral Agent's Office (the "**Prepaid Debt Service Escrow Account**").

- 8.17.1 During the Operating Period:
 - 8.17.1.1 there shall be deposited, from time to time, into the Prepaid Debt Service Escrow Account the proceeds of any Rent Attributable to Debt Service;
 - 8.17.1.2 immediately prior to any LIL Drawdown Date occurring on the second to last Business Day of each month of May and November (but, for greater certainty, following the deposit to be made into the Prepaid Debt Service Escrow Account in such month pursuant to paragraph 8.17.1.1), there shall be transferred from the Prepaid Debt Service Escrow Account to the Partnership Project Funding Account the full amount then on deposit in the Prepaid Debt Service Escrow Account.

8.18 Cost Overrun Escrow Account

Prior to the Closing Date, the Partnership shall establish with the Collateral Agent in the name of the Partnership an account entitled "Partnership – Cost Overrun Escrow Account" at the Collateral Agent's Office (the "**Cost Overrun Escrow Account**"). Funds shall be transferred to and from the Cost Overrun Escrow Account in accordance with Section 10.28.

8.19 Disbursements by the Collateral Agent

The Intermediary Trust and the Collateral Agent hereby acknowledge and agree that, wheresoever applicable, the Collateral Agent shall effect all transfers of funds between LIL Project Accounts contemplated pursuant to the terms of this Article in accordance with, and subject to, Section 2.9 of the ESA and all other relevant provisions thereof and Section 2.4 of the ESG and all other relevant provisions thereof.

8.20 Excluded Deposits and Contributed Surplus

At any time that either of the Equity Contribution Release Conditions has been satisfied, any amount on deposit in any Partnership Project Account that constitutes an Excluded Deposit and any amount and deposit in any Opco Project Account that constitutes a Contributed Surplus shall be released and distributed to the Contributing Parties.

ARTICLE 9**REPRESENTATIONS AND WARRANTIES**

To induce the Intermediary Trust to make the LIL Construction Facility available to the Partnership, the Credit Parties represent and warrant to and in favour of the Collateral Agent, for and on behalf of the GAA Finance Parties, as follows:

9.1 Existence and Good Standing

Each Credit Party is a corporation or limited partnership duly and validly incorporated or formed, as applicable, validly existing and in good standing under the Laws of NL and has the legal capacity and power to own its Assets, to carry on its business as now being conducted and as proposed to be conducted under the LIL Project Finance Documents in NL and in the case of the Partnership, to undertake, carry on the Project and Commission the Project by the Date Certain.

9.2 Authority

Each Credit Party has the requisite capacity and power to enter into each of the LIL Project Finance Documents and the Material Project Documents to which it is a party and perform its obligations thereunder in accordance with the terms and conditions thereof.

9.3 **Due Authorization**

Each Credit Party has taken all necessary action to authorize the execution and delivery by it of each LIL Project Finance Document and Material Project Document to which it is a party, the creation and performance of its obligations thereunder and the creation of the Liens, if any, over its Assets and the consummation of the transactions contemplated thereunder.

9.4 **Due Execution**

Each Credit Party has duly executed and delivered each LIL Project Finance Document and Material Project Document to which it is a party.

9.5 **Non-Conflict**

None of the authorization, execution, delivery or performance of the LIL Project Finance Documents by each Credit Party, nor the creation of Liens in favour of the Collateral Agent and the LIL Security Trustee over the Assets subject thereto, nor the consummation of any of the transactions contemplated in the LIL Project Finance Documents and Material Project Documents:

9.5.1 requires any Authorization to be obtained or Registration to be made (except such as have already been obtained or made and are now in full force and effect), except (i) the Registration of the LIL Security Documents to be made on or about the Closing Date and those to be made against the Future LIL Assets and Rights, as and when same are acquired by the Partnership, and (ii) such Authorizations (a) which by the nature thereof need not be obtained until a future date and (b) as pertain to the Material Project Documents, those listed in Part V of Schedule "B";

9.5.2 conflicts with, contravenes or gives rise to any default under (i) any of the Organizational Documents of such Credit Party, (ii) the provisions of any indenture, instrument, agreement or undertaking to which such Credit Party is a party or by which such Credit Party or any of its Assets are or may become bound, or (iii) any Applicable Law, subject to the provisions of subsection 9.5.1(ii)(b); or

9.5.3 has resulted or will result in the creation or imposition of any Lien (other than Permitted Encumbrances) upon any of the Assets of such Credit Party.

9.6 **Enforceability**

Each LIL Project Finance Document and Material Project Document to which each Credit Party is a party constitutes a valid and legally binding obligation enforceable against it in accordance with its terms, subject only to bankruptcy, insolvency, winding-up, dissolution, administration, reorganization, arrangement or other statutes or judicial decisions affecting the enforcement of creditors' rights in general and to general

principles of equity under which specific performance and injunctive relief may be refused by a court in its discretion.

9.7 **Compliance with Law**

Each Credit Party is in compliance with all Applicable Laws, other than Environmental Laws that are addressed specifically in Section 9.20, the non-compliance with which would have a Material Adverse Effect. Moreover, each Credit Party is in compliance with all AML Legislation.

9.8 **Litigation**

Save and except as disclosed in Schedule "F", there is no notice of infraction, action, suit or proceeding pending against (nor, to the Knowledge of the Credit Parties, any notice of infraction, action, suit or proceeding threatened against or in any other manner relating adversely to) any Credit Party or any of its Assets in any court or before any arbitrator of any kind or before or by any Governmental Authority, which, if adversely determined (i) would have a Material Adverse Effect or (ii) would prevent Commissioning of the Project by the Date Certain.

9.9 **Corporate Structure and Location of Assets**

Subject to the notices provided by the Partnership to the Collateral Agent pursuant to Section 10.11, Schedule "G" indicates:

- 9.9.1 each Person holding Capital Stock in each Credit Party;
- 9.9.2 the type of Capital Stock held by each such Person and the percentage of ownership of such party represented by such Capital Stock;
- 9.9.3 the location of the registered and chief executive offices and the principal place of business of each Credit Party and its jurisdiction of organization; and
- 9.9.4 the exact name of each Credit Party.

9.10 **No Material Adverse Effect**

No event or events have occurred which have or would have a Material Adverse Effect or would prevent the Partnership from achieving Commissioning of the Project by the Date Certain.

9.11 **Financial Statements**

All of the quarterly and annual Financial Statements which have been furnished to the Collateral Agent in connection with this Agreement are complete in all material respects and such Financial Statements fairly present the financial position of the applicable Credit Parties as of the dates referred to therein and have been prepared in accordance

with GAAP except that, in the case of quarterly Financial Statements, notes to the statements and audit adjustments required by GAAP are not included.

9.12 **Accuracy of Information**

To the Knowledge of the Credit Parties, no information furnished by them to the Collateral Agent in connection with any of the LIL Project Finance Documents contains any material misstatement of fact or omits to state a material fact necessary to make the statements contained therein not misleading in light of the circumstances in which they were made and as of the date made. No Credit Party has any Knowledge of any undisclosed fact that has or would have a Material Adverse Effect and that has not been otherwise disclosed in writing to the Collateral Agent.

9.13 **Accuracy of Forecasts**

Each financial forecast and projection with respect to the Partnership furnished to the Collateral Agent, including the information and documents delivered pursuant to subsection 7.1.2, was based upon assumptions believed to be reasonable by the Partnership as of the date of preparation.

9.14 **All Authorizations Obtained and Registrations Made**

All Authorizations and Registrations necessary to permit (i) each Credit Party to execute, deliver and perform each LIL Project Finance Document and Material Project Document to which it is a party, consummate the transactions contemplated thereby and grant the Liens contemplated in the LIL Security Documents to which it is a party, (ii) the Partnership to undertake and carry on the Project and Commission the Project by the Date Certain, and (iii) each Credit Party to own its Assets and carry on its business, have been obtained or effected and are in full force and effect other than (a) in each case, as disclosed in Part V of Schedule "B", (b) in each case, those not yet required and which are expected to be obtained in the ordinary course as and when required, (c) in each case, the Registrations of the LIL Security Documents to be made on or about the Closing Date and those to be made against the Future LIL Assets and Rights as and when same are acquired by the Partnership, (d) the SOBI Lease, which will be executed and registered following the successful completion of any consultation period relating thereto and further to the application of the Laws of NL with respect to the property leased in accordance with the provisions of Section 9 of the *Oceans Act* (Canada) and (e) as pertains to the Material Project Documents referred to in paragraph (i) and generally as regards paragraphs (ii) and (iii) for such Authorizations and Registrations the failure to obtain, effect or to be in full force and effect would not have a Material Adverse Effect. Each Credit Party is in compliance in all material respects with the requirements of all such Authorizations and Registrations applicable to it and there is no award outstanding or litigation existing, pending or threatened which could result in the revocation, cancellation, suspension or any adverse modification of any of such Authorizations and Registrations.

9.15 **Pension Plans**

No Credit Party has any Pension Plans.

9.16 **No LIL Event of Default**

No LIL Event of Default has occurred that has not been disclosed to the Collateral Agent and either remedied (or otherwise ceased to be continuing) or expressly waived in writing by the Collateral Agent.

9.17 **LIL Assets and Rights**

The Partnership is the sole legal and beneficial owner of the Current LIL Assets and Rights, free and clear of any encumbrance or Lien other than Permitted Encumbrances and the Current LIL Assets and Rights are the Assets required by the Partnership as of the Closing Date to carry on its business as described in Section 9.22. The Partnership will be the sole legal and beneficial owner of the Future LIL Assets and Rights, as and when they are acquired, free and clear of any encumbrance or Lien, other than Permitted Encumbrances.

Upon the coming into effect of the LIL Lease, Opco will have the leasehold and other rights to the LIL Assets and Rights as are conferred on Opco pursuant to the LIL Lease and such leasehold and other rights are sufficient to enable Opco to carry on its business as described in Section 9.22.

9.18 **Intellectual Property**

Each of the Partnership or Opco owns, possesses, is licensed or otherwise has the right to use all Intellectual Property Rights which are necessary for the operation of its business as presently conducted and as proposed to be conducted following Commissioning of the Project without any Known material conflict with the rights of others, except those for which the failure to own or possess (or be licensed or otherwise have the right to use) would not, singly or in the aggregate, have a Material Adverse Effect. To the best Knowledge of the Partnership and Opco, there is no violation by any Person of any of its rights with respect to any of the Intellectual Property Rights that would, singly or in the aggregate, have a Material Adverse Effect.

9.19 **Taxes**

Each Credit Party has:

- 9.19.1 delivered or caused to be delivered as and when required all returns for Taxes to the appropriate Governmental Authorities;
- 9.19.2 paid and discharged all Taxes payable by it when due except with respect to any such Tax which is being contested in good faith by appropriate proceedings and for which appropriate reserves have been provided in its books and as to which neither any Lien (other than a Permitted Encumbrance)

has attached nor any foreclosure, distraint, seizure, attachment, sale or similar proceedings shall have been commenced;

- 9.19.3 made provision for appropriate amounts in respect of any Taxes likely to be exigible in accordance with GAAP; and
- 9.19.4 withheld and collected all Taxes required to be withheld and collected by it and remitted as and when required such Taxes to the appropriate Governmental Authority;

and the charges, accruals and reserves on its books in respect of Taxes are adequate, in its judgment.

9.20 **Environment**

With respect to environmental matters:

- 9.20.1 each Credit Party is in compliance with all Environmental Laws;
- 9.20.2 the LIL Assets and Rights are owned, leased, managed, controlled or operated in compliance with all Environmental Laws;
- 9.20.3 there are no existing, pending or, to the Knowledge of the Credit Parties, threatened:
 - 9.20.3.1 claims, complaints, notices or requests for information received by any Credit Party with respect to any alleged violation by such Credit Party of or alleged liability of such Credit Party under any Environmental Law relating to any of the LIL Assets and Rights; or
 - 9.20.3.2 orders from any Governmental Authority, including stop, Clean-Up or preventative orders, directions or action requests issued under Environmental Law which have been received by a Credit Party requiring any work, repair, Clean-Up, construction or capital expenditures by such Credit Party with respect to any of the LIL Assets and Rights;
- 9.20.4 except in compliance with Environmental Law, no Hazardous Materials have been generated, received, handled, used, stored, treated or shipped at or from, and there has been no Release of Hazardous Materials at, on, from or under any of the LIL Assets and Rights;
- 9.20.5 except in compliance with Environmental Law, to the Knowledge of the Partnership, none of the lands and premises forming part of the LIL Land Area has been used for the disposal of waste or as a landfill or waste disposal site; and

9.20.6 to the Knowledge of the Credit Parties, no Credit Party has directly transported or directly arranged for the transportation of any Hazardous Materials to any location, except in compliance in all material respects with Environmental Law,

in each case with the exception of any matter or matters disclosed in Schedule "D" or that singly or in the aggregate would not have a Material Adverse Effect.

9.21 **Employee Relations**

No Credit Party has any employees.

9.22 **Business**

The Partnership is engaged solely in the business of undertaking the Project and, following the Commissioning Date, the business of the Partnership will consist solely in performing its obligations under the LIL Lease and the LIL Remedies Agreement. Opco's sole business following the Commissioning Date will consist of operating and maintaining the Project in accordance with the provisions of the LIL Lease, the TFA and the LIL Remedies Agreement. The General Partner's sole business consists in acting as the general partner of the Partnership.

9.23 **Utilities**

All utility services necessary for the construction and the operation of the Project for its intended purposes are available or will be so available as and when required upon commercially reasonable terms.

9.24 **Initial Material Project Documents.**

The only Material Project Documents as at the Closing Date are the Initial Material Project Documents. The Material Project Documents and the Authorizations referred to in Part IV of Schedule "B":

9.24.1 comprise all of the property interests and rights necessary to constitute any right material to the acquisition, leasing, development, construction, installation, commissioning, operation and maintenance of the Project in accordance with all Applicable Law;

9.24.2 are sufficient to enable the Project to be located, constructed, operated and maintained on the LIL Land Area; and

9.24.3 provide adequate ingress and egress for any reasonable purpose in connection with the construction, operation and maintenance of the Project under the Material Project Documents;

in each case save and except for the Future LIL Assets and Rights that will be acquired as set forth in Section 10.15.

9.25 Material Project Documents

There are no material uncured breaches or defaults by any Credit Party or, to the Knowledge of such Credit Party, any Material Project Participant, under any Material Project Document other than those referred to in Section 2.5(a) and Section 2.6 of the LIL Remedies Agreement, provided that NLH or a Credit Party referred to therein is exercising the rights provided for in such Sections or in Section 2.6(b) of the LIL Remedies Agreement, as applicable.

9.26 Construction Budget; Projection

The Partnership has prepared the Project Budget and the Project Schedule and same:

- 9.26.1 are based on reasonable assumptions as to all legal and factual matters material to the estimates set forth therein;
- 9.26.2 are consistent with the provisions of the Material Project Documents; and
- 9.26.3 indicate that Commissioning of the Project will occur before the Date Certain.

As of the date hereof, there are no material Project Costs that are not included in the Project Budget.

9.27 Construction of Project

All work done on the Project has been done in a good and workmanlike manner in accordance, in all material respects, with the terms of the Material Project Documents, the Authorizations related to the Project including those referred to in Part I of Schedule "B", Good Utility Practice, all Applicable Laws (save as disclosed in Schedule "C"), the Plans, the Project Schedule and the Project Budget.

9.28 Force Majeure

Neither the business nor the LIL Assets and Rights or, to the Knowledge of the Credit Parties, any of the Material Project Participants, have been materially adversely affected by any Force Majeure.

9.29 Aboriginal Matters

To the Knowledge of the Partnership, except as described in Schedule "H", it is not aware of and it has not received notice of, any assertion by any aboriginal person or group, or any Person acting on behalf of any aboriginal person or group, by virtue of its aboriginal status, of:

- (a) any claim or proceeding against any LIL Assets and Rights;
- (b) any right in any LIL Land Area;

- (c) any claim of jurisdiction over any business of the Partnership or Opco or any right in the LIL Land Area; or
- (d) any right to be consulted (other than pursuant to Applicable Law) with respect to any use, development or improvement of any right in the LIL Land Area;

and except as disclosed in Schedule "H", the Partnership has no Knowledge of and it has not received, in relation to the LIL Land Area, any notice of:

- (i) the existence or potential existence of any aboriginal archaeological, burial, cultural or heritage sites;
- (ii) any actual or alleged interference with aboriginal rights or treaty rights; or
- (iii) any specific or comprehensive claims,

which, in any of the above cases, would result in a Material Adverse Effect or is not generally known to the public in NL.

9.30 **Repetition of Representations and Warranties**

The representations and warranties made under this Agreement shall be deemed to be made and shall be true, accurate and complete at and as of the date hereof and on the date each Borrowing is requested and made hereunder.

9.31 **Management and Operator Fees**

The Partnership is not a party to or bound by any contract or commitment to pay any royalty, licence fee or management fee pursuant to any contract or agreement other than the PDMA, and the fees therein do not exceed commercially reasonable rates having regard to the nature of the services provided for therein.

ARTICLE 10

GENERAL COVENANTS

So long as the LIL Construction Loan or any other amount payable hereunder is outstanding and unpaid or the Partnership shall have the right to borrow hereunder (whether or not the conditions to borrowing have been or can be fulfilled), and unless the Collateral Agent shall otherwise consent in writing, which consent shall not be unreasonably refused or delayed, the Credit Parties hereby covenant that:

10.1 **Preservation of Existence, etc.**

Each Credit Party will preserve and maintain its existence and, subject to Sections 9.5 and 9.14, preserve and maintain all Authorizations and Registrations necessary or required in the normal conduct of its business and to carry on its business as

contemplated in Section 9.22 and qualify and remain qualified and authorized to do business in each jurisdiction in which it carries on business or owns or leases Assets.

10.2 **Obtain Approvals**

Subject to Sections 9.5 and 9.14, each Credit Party will obtain or have obtained, as and when required, and maintain or have maintained any Authorization of or from any Governmental Authority which may be or become necessary or required in order that (i) the Partnership may undertake and carry on the Project and Commission the Project by the Date Certain, (ii) each Credit Party may own its Assets and carry on its business as contemplated in Section 9.22, and (iii) each Credit Party may fulfill its obligations under each of the LIL Project Finance Documents and Material Project Documents to which it is a party.

10.3 **Business, Compliance with Applicable Law**

Each Credit Party will engage solely in the business referred to in Section 9.22 and carry on and conduct its business in a proper and efficient manner. Each Credit Party will comply or have complied, in all material respects, with Good Utility Practice, all requirements of the LIL Project Finance Documents and Material Project Documents, all requirements of Applicable Law, and the terms and conditions of all Authorizations necessary or required (i) in the normal conduct of its business and (ii) in the case of the Partnership, to undertake and carry on the Project and Commission the Project by the Date Certain; provided, however, that, nothing herein shall require any Credit Party to comply or have complied with the requirements of any Applicable Law or the terms or conditions of any Authorization so long as non-compliance (a) would not have a Material Adverse Effect or (b) would not prevent the Partnership from Commissioning the Project by the Date Certain.

10.4 **Compliance and Environmental Law**

Each Credit Party will comply, in all material respects, with all applicable Environmental Law and the requirements as to environmental status and compliance as set out in the Material Project Documents.

The Credit Parties shall deliver to the Collateral Agent notice of the following events after Knowledge thereof (which notice shall in any event be given within twenty (20) days after the Credit Parties have Knowledge thereof):

- 10.4.1 legal action or proceeding commenced against it with respect to any environmental matter referenced under subsection 11.6.1;
- 10.4.2 any Release of any Hazardous Material referenced in subsection 11.6.4; and
- 10.4.3 orders, notices or Authorizations from environmental Governmental Authorities referenced in subsection 11.6.5.

10.5 Keeping of Records

Each Credit Party will keep or cause to be kept, proper and lawful records and books of account and make or cause to be made therein, true and faithful entries of all dealings and transactions in relation to its business, all in accordance with GAAP and, subject to Section 1.13 of the Master Definitions Agreement, applied on a consistent basis.

10.6 Insurance

The Partnership and Opco will maintain or have maintained, by Nalcor Energy as part of its overall insurance program for the LCP, the following insurance with respect to their respective Assets with independent and reputable insurers that (i) are licensed in NL, and (ii) have a rating of not less than A "X" from A.M. Best Company or a rating of not less than A- from S&P or shall be otherwise reasonably acceptable on the advice of the Insurance Consultant, which insurance shall be in such form and amounts and with such deductibles and subject to such exclusions as set forth below:

10.6.1 during the Construction Period, the following insurance shall be in the name of Nalcor, as part of its overall insurance program for the LCP, for the benefit of the Partnership:

10.6.1.1 all risks builder's risk insurance, including coverage for perils of flood, earthquake and windstorm on all of its property and assets that are of an insurable nature located at or incidental to the Project on a replacement cost, no co-insurance basis with a limit covering insured physical loss or damage in an amount acceptable to the Collateral Agent, acting reasonably, but in any event of not less than CDN\$1,000,000,000 per occurrence, provided, however that the limit applicable to any insured physical loss or damage to the overhead transmission and distribution systems shall be CDN\$10,000,000 per occurrence and the limit applicable to any insured physical loss or damage to the submarine transmission and distribution systems shall be not less than CDN\$250,000,000 per occurrence unless otherwise reasonably agreed. The builder's risk policy will provide coverage for resultant loss or damage arising from faulty materials, workmanship, service or design that limits the non-covered costs to equivalent to a LEG 2 coverage. The builder's risk insurance shall include coverage for testing and commissioning of machinery and equipment, a permission to occupy clause, a by-laws endorsement and coverage for property inland transit and property stored off-site;

10.6.1.2 wrap-up liability insurance on an occurrence basis, including insurance against claims for personal injury, death, property damage and/or loss arising out of the Project and extended to include coverage for contractual liability, tenant's legal liability, contingent employer's liability, owners'/contractors' protective

liability, products and completed operations (not less than twenty-four (24) months), collapse, explosion and underground hazards, limited sudden and accidental time element pollution liability and non-owned automobile liability, all with a minimum combined single limit of not less than CDN\$100,000,000 per occurrence and CDN\$100,000,000 in the aggregate (provided, however, that such aggregate limit shall apply on an aggregate basis to all of the projects forming part of the LCP) with respect to products and completed operations liability to also include the interests of all contractors, sub-contractors, trades and suppliers of materials (excluding suppliers who only supply materials, machinery or supplies to the Project and who do not carry out any installation or construction works on or at the Project) whatsoever to the extent such coverage is not otherwise provided in insurance by such parties. Such policy will have a deductible acceptable to the Collateral Agent, acting reasonably;

- 10.6.1.3 environmental liability insurance covering first party property damage and site clean-up and any third party claims for bodily injury, property damage and clean-up for any environmental incidents arising out of the construction of the Project with a limit acceptable to the Collateral Agent, acting reasonably, but in any event not less than One Hundred Million Canadian Dollars (CDN\$100,000,000) and with a deductible acceptable to the Collateral Agent, acting reasonably;
- 10.6.1.4 automobile liability insurance to provide coverage for owned, hired and non-owned vehicles with a minimum limit of liability of Twenty Five Million Canadian Dollars (CDN\$25,000,000) for each occurrence, bodily injury and property damage combined;
- 10.6.1.5 marine cargo insurance covering physical loss or damage for all shipments by ocean marine in an amount representing not less than 100% of the replacement cost of any property being shipped on any one vessel at any one time with deductibles acceptable to the Collateral Agent, acting reasonably;
- 10.6.1.6 worker's compensation insurance as required by the Laws of NL covering employees of the Partnership and Opco and any other Person acting under the authority of the Partnership and Opco;
- 10.6.1.7 watercraft and/or aircraft liability if any aircraft and/or watercraft will be utilized in relation to its Project for a limit of not less than One Hundred Million Canadian Dollars (CDN\$100,000,000) per occurrence;

- 10.6.1.8 P&I insurance on a difference in conditions basis in an amount acceptable to the Collateral Agent, acting reasonably; and
 - 10.6.1.9 other insurance as may be considered customary and prudent industry practice if required by the Collateral Agent, acting reasonably;
- 10.6.2 during the Operating Period and for so long as any amounts are due hereunder, the following insurance shall be in the name of Opco or, as the case may be, Nalcor, as part of its overall insurance program for the LCP, for the benefit of the Partnership and Opco:
- 10.6.2.1 all risks property insurance including coverage for the perils of flood, earthquake and windstorm on all of its property and assets that are of an insurable nature (except onshore transmission and distribution systems) on a replacement cost basis with a loss limit, sublimit and aggregated sub limits acceptable to the Collateral Agent, acting reasonably, but of not less than CDN\$1,000,000,000. The property insurance shall be written on a stated amount or other comparable clause (allowing no co-insurance) basis and shall include a by-laws endorsement. Business Interruption insurance to be maintained in amounts acceptable to the Collateral Agent, acting reasonably, to the extent any exposure exists;
 - 10.6.2.2 general liability insurance on an occurrence basis, including insurance against claims for personal injury, death, property damage and/or loss arising out of the operation of the Project and extended to include coverage for contractual liability, contingent employer's liability, tenant's legal liability, owners'/contractors' protective liability, products and completed operations, collapse, explosion and underground hazards, limited sudden and accidental time element pollution liability and non-owned automobile liability, all with a minimum combined single limit of One Hundred Million Canadian Dollars (CDN\$100,000,000) per occurrence. Such policy will have a deductible not greater than Five Hundred Thousand Canadian Dollars (CDN\$500,000) per occurrence;
 - 10.6.2.3 automobile liability insurance to provide coverage for owned, hired and non-owned vehicles with a minimum limit of liability of Twenty Five Million Canadian Dollars (CDN\$25,000,000) for each occurrence, bodily injury and property damage combined;
 - 10.6.2.4 worker's compensation insurance as required by the Laws of NL covering employees of Opco and any other Person acting under the authority of Opco;

- 10.6.2.5 watercraft and/or aircraft liability if any aircraft and/or watercraft will be utilized by a Credit Party in relation to the Project for a limit of not less than One Hundred Million Canadian Dollars (CDN\$100,000,000) per occurrence; and
 - 10.6.2.6 other insurance in accordance with industry practice to the extent an exposure exists and if required by the Collateral Agent, acting reasonably;
- 10.6.3 the builder's risk, the all-risks property and (if any) boiler and machinery insurance policies contemplated hereunder shall:
- 10.6.3.1 contain an advance payment clause;
 - 10.6.3.2 name the LIL Security Trustee, the Collateral Agent and the GAA Finance Parties as additional insureds and the Collateral Agent as first mortgagee and loss payee on behalf of the GAA Finance Parties;
 - 10.6.3.3 have attached a standard mortgage clause in a form approved by the Collateral Agent, acting reasonably;
 - 10.6.3.4 provide that no cancellation for any reason whatsoever, shall take effect unless the insurer concerned has given the LIL Security Trustee or Collateral Agent not less than sixty (60) days' prior written notice of such proposed action (with the exception of cancellation for non-payment of premium for which a statutory fifteen (15) days' notice may apply);
 - 10.6.3.5 contain a waiver by the insurer or insurers of all rights of subrogation or indemnity or any other claim to which such insurer or insurers might otherwise be entitled against the LIL Security Trustee, the Collateral Agent and the GAA Finance Parties;
 - 10.6.3.6 contain a non-vitiating clause; and
 - 10.6.3.7 all deductibles to be best available on commercially reasonable terms and acceptable to the Collateral Agent, acting reasonably;
- 10.6.4 the liability policies contemplated hereunder shall:
- 10.6.4.1 name each of the LIL Security Trustee, the Collateral Agent and the GAA Finance Parties as an additional insured;
 - 10.6.4.2 provide that no cancellation or termination thereof or change therein, for any reason whatsoever, shall take effect unless the insurer concerned has given the LIL Security Trustee or the Collateral Agent not less than sixty (60) days' prior written notice

of such proposed action (with the exception of cancellation for non-payment of premium for which a statutory fifteen (15) days' notice may apply);

- 10.6.4.3 contain a waiver by the insurer or insurers of all rights of subrogation or indemnity or any other claim to which such insurer or insurers might otherwise be entitled against the LIL Security Trustee, the Collateral Agent and the GAA Finance Parties;
 - 10.6.4.4 contain blanket written contractual liability;
 - 10.6.4.5 contain a non-vitiating clause to the extent applicable; and
 - 10.6.4.6 contain a cross liability and severability of interest clause;
- 10.6.5 insurance proceeds relating to any damage or destruction of the Project received by either the LIL Security Trustee, a Credit Party or the Collateral Agent:
- 10.6.5.1 aggregating less than CDN\$50,000,000 shall be deposited into the Partnership Insurance Reserve Account or the Opco Insurance Reserve Account, as applicable, in accordance with paragraphs 8.6.1.1 or 8.14.2.1, as applicable, to be applied to the repair or restoration of the Project;
 - 10.6.5.2 aggregating more than CDN\$50,000,000, where the Repair Conditions have been satisfied, shall be deposited into the Partnership Insurance Reserve Account or the Opco Insurance Reserve Account, as applicable, and shall be applied in accordance with paragraphs 8.6.1.2 or 8.14.2.2, as applicable, and with subsection 10.6.6; or
 - 10.6.5.3 aggregating more than CDN\$50,000,000, where the Repair Conditions have not been satisfied, shall be deposited into the Partnership Insurance Reserve Account or the Opco Insurance Reserve Account, as applicable, and maintained therein until the Repair Conditions have been satisfied, at which time the funds therein shall be released and applied in accordance with paragraphs 8.6.1.2 or 8.14.2.2, as applicable, and with subsection 10.6.6;
- 10.6.6 if insurance proceeds relating to any damage or destruction of the Project have been received and paragraph 10.6.5.2 is applicable, or paragraph 10.6.5.3 is applicable and the Repair Conditions have been satisfied, such insurance proceeds shall be applied by the Partnership if during the Construction Period or Opco if during the Operating Period to the repair or restoration of the Project in accordance with the following procedures:

- 10.6.6.1 the appropriate Credit Party shall cause any repairs or restoration to be commenced and completed diligently at the cost and expense of such Credit Party; and
- 10.6.6.2 the release of insurance proceeds for application toward such repairs or restoration shall be conditioned upon the appropriate Credit Party's written request and the presentation to the Collateral Agent of the following: **(i)** a certificate of the Independent Engineer confirming that repair or restoration of the Project is technically and economically feasible and that a sufficient amount of funds is or will be available to the Partnership to make such repairs and restorations, **(ii)** a certificate of such Credit Party **(a)** describing in reasonable detail the nature of the repairs or restoration to be effected with such release, **(b)** stating the cost of such repairs or restoration and the specific amount requested to be paid over to or upon the order of such Credit Party and that such amount is requested to pay the cost thereof, **(c)** stating that the aggregate amount requested by such Credit Party in respect of such repairs or restoration (when added to any other insurance proceeds received by such Credit Party in respect of such damage or destruction and other available funding sources) does not exceed such Credit Party's reasonable estimation of the cost of such repairs or restorations, that repair or restoration of the Project is technically and economically feasible and that a sufficient amount of funds is or will be available to the Partnership to make such repairs and restorations, **(d)** stating that no LIL Event of Default has occurred and is continuing other than a LIL Event of Default resulting solely from such damage or destruction, and **(e)** stating that each LIL Project Finance Document and during the Construction Period, each Material Project Document remains in full force and effect, whereupon the Collateral Agent shall release such insurance proceeds to such Credit Party;

The Credit Parties will duly and punctually pay or cause to be paid the premiums and other sums of money payable in connection with all such insurance and shall provide an annual insurance renewal certificate to the Collateral Agent.

Where under any Material Project Document, the counterpart thereto is required to take or maintain any insurance, then the Partnership shall cause such insurance to name the LIL Security Trustee, the Collateral Agent and the GAA Finance Parties as first mortgagee and loss payees under direct damage policies (property, boiler and machinery, builders risk) and as additional insured under liability insurance policies and to contain a standard mortgagee clause.

The Credit Parties shall, or, during any Enforcement Proceedings pursuant to the LIL Security Documents, shall assist the LIL Security Trustee to, at the Credit Parties' cost and expense, make all proofs of loss and take all other steps necessary or reasonably

necessary to collect from insurers for any loss covered by any insurance required to be obtained pursuant to subsection 10.6.1 or subsection 10.6.2.

In the event that at any time the insurance as herein provided shall be reduced (and such reduction is not warranted and is not reinstated) or cease to be maintained (provided such insurance continues to be considered to be necessary in accordance with Good Utility Practice), then (without limiting the rights of the Collateral Agent hereunder in respect of any LIL Event of Default which arises as a result of such failure), the Collateral Agent may, in its sole discretion, maintain such insurance required hereby and, in such event, the Credit Parties shall reimburse the Collateral Agent upon demand for the cost thereof together with interest thereon at a rate as specified in this Agreement, but in no event shall the rate of interest exceed the maximum rate permitted by Applicable Law.

10.7 **Registrations**

The Credit Parties will maintain, amend and renew as required the Registrations made in connection with the LIL Security Documents, in order to preserve, protect and perfect the Liens created pursuant to such documents and, from time to time, upon any demand from the Collateral Agent to that effect, execute and deliver all other documents and do all other things which the Collateral Agent may require with respect to the LIL Security Documents in order to preserve, protect and perfect the validity, effect and priority of the Liens created thereunder.

10.8 **Payment of Taxes and Claims**

Each Credit Party will timely pay and discharge: (i) subject to paragraph (ii), all Taxes prior to the date on which penalties attach thereto, (ii) in the case of a reassessment of Taxes already assessed, all Taxes, and associated penalties, if any, prior to or on the date on which such Taxes, and associated penalties, if any, are payable as per the notice of reassessment, and (iii) all lawful claims for rents, labour, materials and supplies which, if unpaid, might become a Lien upon any of its Assets; provided, however, that, no such Taxes, and associated penalties, if any, need be paid which are being contested in good faith by appropriate proceedings and for which appropriate reserves shall have been set aside on the appropriate books, but only so long as such Taxes, and associated penalties, if any, do not become a Lien, other than a Permitted Encumbrance, and no foreclosure, distraint, seizure, attachment, sale or similar proceedings shall have been commenced.

10.9 **Visits and Inspections**

Upon reasonable prior notice, each Credit Party shall permit representatives of the Collateral Agent and the GAA Finance Parties including specifically, the Independent Engineer, at their risk, upon reasonable request made (i) no more than once per calendar year if no LIL Event of Default has occurred and is continuing or (ii) if a LIL Event of Default then exists, from time to time as is reasonable in the circumstances, to visit and inspect the locations of its Assets during normal business hours, provided that such visit and inspection does not affect any equipment warranty or materially affect any Project Costs or the Project Schedule, inspect its books and records and discuss with its principal

officers its business, assets, liabilities, financial position, results of operations and business prospects, and otherwise verify such Credit Party's compliance with its covenants under the LIL Project Finance Documents, the Material Project Documents and all Authorizations relating to the Project.

10.10 **Payment of Legal and Other Fees and Disbursements**

The Partnership shall pay (i) all Various Agent Costs and Expenses, the Funding Vehicle Project Costs and Expenses, the Canada Project Costs and Expenses and the Intermediary Project Costs and Expenses, following its receipt, from time to time, of satisfactory invoices and supporting documentation relating to such costs and expenses and (ii) without duplication, all operating costs of the Funding Vehicle and the Intermediary Trust including any Taxes payable by either of them, as well as all other amounts required to be paid by the Administrator pursuant to the Administration Agreement and the IT Administrator pursuant to the IT Administration Agreement.

10.11 **Change of Name**

The Partnership shall notify the Collateral Agent in writing at least ten (10) Business Days prior to (a) any change of name of any Credit Party, (b) any transfer of any Credit Party's rights in its Assets not expressly permitted hereunder, (c) any change in jurisdictions in which the Assets of any Credit Party are located, and (d) any change in the location of any Credit Party within the meaning of the PPSA.

10.12 **Material Project Documents**

Each of the Partnership and Opco will:

- 10.12.1 observe, perform and discharge in all material respects the covenants, conditions and obligations imposed on it by any Material Project Document and all Authorizations related to the Project other than those referred to in Section 2.5(a) and Section 2.6 of the LIL Remedies Agreement, provided that NLH or a Credit Party referred to therein is exercising the rights provided for in such Sections;
- 10.12.2 do all things necessary or expedient in order to maintain each Material Project Document and all Authorizations related to the Project in full force and effect unless such Material Project Document or Authorization is no longer in full force and effect as a result of Commissioning or the failure to maintain it in full force and effect would not have a Material Adverse Effect;
- 10.12.3 enforce each Material Project Document in accordance with its terms unless the failure to do so would not have a Material Adverse Effect; and
- 10.12.4 upon the request of the Collateral Agent, make to each of the other parties under the IE Contract such demands for information and reports as to action taken or, as the case may be, not taken, as such Credit Party is entitled to make thereunder.

10.13 **Change Orders**

The Partnership shall have the authority to issue Change Orders to amend the Material Project Documents, provided, however, that:

- 10.13.1 a copy of any Change Order shall immediately be provided to the Independent Engineer and the Collateral Agent;
- 10.13.2 if (i) any Change Order issued under a Material Project Document exceeds Thirty-Five Million Canadian Dollars (\$35,000,000) and (ii) taking into account such Change Order, the Cost Variances, as at the proposed date of coming into effect of such Change Order, netted against the savings, would result in Hard Costs that exceed the Hard Costs budgeted under the Project Budget as at such date by an amount in excess of Thirty-Five Million Canadian Dollars (\$35,000,000), then such proposed Change Order may only be issued with the written consent of the Collateral Agent in consultation with the advice of the Independent Engineer, which consent shall not be unreasonably refused or delayed, it being agreed that the Collateral Agent shall provide a response to the request for such Change Order by no more than five (5) Business Days following its receipt of such request; and
- 10.13.3 such Change Order will not delay Commissioning beyond the Date Certain unless the Collateral Agent otherwise consents, it being agreed that the Collateral Agent shall provide a response to the request for such Change Order by no more than five (5) Business Days following its receipt of such request.

10.14 **Notices under Material Project Documents**

If any Credit Party is provided with (i) a notice of revocation or termination with respect to any of the Material Project Documents or (ii) a notice of suspension or stoppage of work under a Material Project Document, such Credit Party shall provide as soon as reasonably possible thereafter, a copy of such notice to the Collateral Agent with a description of the applicable default or circumstance giving rise thereto and a report indicating the status of such default or circumstance and the steps taken and to be taken (as applicable) to cure such default or circumstance. If such default or circumstance is not cured within thirty (30) days after the receipt by a Credit Party of any such notice, such Credit Party will so advise the Collateral Agent and thereafter will co-operate and work with the Independent Engineer and the Collateral Agent to attempt to cure such default within the then remaining cure period available to such Credit Party, if any, under the relevant Material Project Document.

10.15 **Additional Material Project Documents**

The appropriate Credit Party shall deliver to the Collateral Agent within forty-five (45) days after the receipt thereof by such Credit Party, copies of:

- 10.15.1 all Additional Material Project Documents and material Authorizations obtained or entered into by such Credit Party after the Closing Date;
- 10.15.2 any amendment, supplement or other modification to any Material Project Document received by such Credit Party after the Closing Date; and
- 10.15.3 all material notices, directives or written communications relating to the Project received by such Credit Party from any Governmental Authority.

The Partnership shall acquire the Future LIL Assets and Rights as and when required to enable it to comply in all material respects with the Project Schedule, save and except as regards the SOBI Lease, which will be executed and registered following the successful completion of any consultation period relating thereto and further to the application of the Laws of NL with respect to the property leased in accordance with the provisions of Section 9 of the *Oceans Act* (Canada). The Credit Parties will execute the Additional Material Project Documents in a form satisfactory to the Collateral Agent by no later than December 31, 2014 save and except for the MSA that will be executed by no later than the Commissioning Date.

10.16 **Commissioning**

The Partnership shall diligently pursue the construction of the Project to achieve Commissioning by the Date Certain in all material respects in accordance with Good Utility Practice, the Project Plans, the Project Schedule, the Project Budget, the Material Project Documents and all Authorizations related to the Project.

10.17 **Use of Proceeds**

The Partnership will apply all proceeds of all LIL Drawdowns under the LIL Construction Facility to finance, in part, Project Costs.

10.18 **Use of Project Funds**

Save as otherwise provided in Article 8, each of the Partnership and Opco shall deposit and direct that all funds receivable by it be deposited respectively into the Partnership Project Funding Account and the Opco Project Funding Account and transfer such amounts to their respective Project Operating Accounts for application solely for the purposes and in the order and manner provided in Article 8.

10.19 **Commitment to Commission**

The Collateral Agent may, from time to time and in consultation with the Independent Engineer, redetermine the total Hard Costs necessary to Commission the Project in accordance with the requirements of this Agreement using current cost data and other information obtained by or otherwise made available to the Collateral Agent pursuant to the terms of this Agreement. Where at any time the full amount of the LIL Construction Facility have been disbursed but the Project has not yet achieved Commissioning, the

Partnership shall cause all Project Costs necessary to achieve Commissioning to be funded on a timely basis in accordance with the provisions of the Equity Agreements.

10.20 **Post-Commissioning Work**

The Partnership shall create (i) a list of items of work remaining to be performed or corrected and a list of items to be completed in connection with the Performance Testing, together with an estimate of the costs to complete same (the "**Punch List Items**"), (ii) a list of all Demobilization Work and an estimate of the costs to complete same (the "**Demobilization List Items**"); and (iii) a list of items in respect of which Hard Costs will be outstanding following the first day of the Operating Period, and shall provide such lists to the Collateral Agent and the Independent Engineer no later than 30 days prior to the Commissioning Date. The Collateral Agent and the Independent Engineer shall be entitled to verify such lists in a manner acceptable to the Credit Parties.

The Credit Parties shall use commercially reasonable efforts to complete the Punch List Items and Demobilization List Items within 365 days following the Commissioning Date and shall provide to the Collateral Agent evidence of such completion.

10.21 **Expropriation**

If an Expropriation Event shall be threatened or occur with respect to any Assets of the Credit Parties, the appropriate Credit Party: (a) shall following discovery or receipt of notice of any such threat or occurrence provide written notice to the Collateral Agent; (b) shall diligently pursue all its rights to compensation against the relevant Governmental Authority in respect of such Expropriation Event; and (c) shall not, without the prior written consent of the Collateral Agent, which consent (prior to the occurrence and continuance of a LIL Event of Default) shall not be unreasonably refused or delayed, compromise or settle any claim against such Governmental Authority. The Credit Parties consent to the participation of the Collateral Agent in any proceedings resulting from an Expropriation Event, and the Credit Parties shall from time to time deliver to the Collateral Agent all documents and instruments requested by it to permit such participation.

10.22 **As Built Marked-Up Drawings, Survey**

By no later than two hundred and seventy (270) days following the first day of the Operating Period, the Partnership shall deliver to the Collateral Agent "as built" marked-up drawings for the Project and on or prior to the Date Certain, deliver to the Collateral Agent a surveyor's real property report with respect to the Project showing no encroachments on any portion of any premises outside the LIL Land Area. Based on such surveys, the Partnership shall make all such further Registrations of the LIL Security Documents in all offices where such registration, filing or recording is necessary or of advantage to the creation, validity, effect, perfection, priority or preservation of Liens under the LIL Security Documents, including, Registrations in respect of underground cables.

10.23 **Maintenance**

During the Operating Period, Opco shall operate and maintain the LIL Assets and Rights as contemplated in the LIL Lease provided, however, that when Opco is in default of its obligations set forth in the LIL Lease to carry out the O&M Activities in accordance with the applicable provisions thereof, it shall nevertheless be deemed to be performing such obligations for the purposes thereof in the event that NLH exercises its rights under Section 2.6 of the LIL Remedies Agreement.

10.24 **IE Certificate**

The Partnership and Opco shall cooperate with the IE so the IE can provide to the Collateral Agent, on an annual basis on each anniversary date of the Commissioning Date, a certificate in the form of the one attached as Schedule "I", confirming that budgeting and maintenance of the Project are being conducted in accordance with Good Utility Practice.

10.25 **DSCR Consultation Process**

If any LIL Compliance Certificate delivered pursuant to Section 11.1 or 11.2 demonstrates that either the Retrospective DSCR or the Prospective DSCR is less than 1.40 as at the end of any relevant rolling twelve (12) month period, a thirty (30) day consultation process shall automatically be triggered commencing on the date of delivery of such LIL Compliance Certificate (the "**DSCR Consultation Period**"). During the DSCR Consultation Period, the Credit Parties shall meet with the Collateral Agent and the GAA Finance Parties, during normal business hours, on request made from time to time by the Collateral Agent in advance of any proposed meeting to discuss the DSCR results and the Partnership's proposed steps to increase the DSCR.

10.26 **Anti-Money Laundering Legislation**

Since, pursuant to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and other applicable anti-money laundering, anti-terrorist financing, government sanction and "know your customer" laws (collectively, including any guidelines or orders thereunder, "**AML Legislation**"), the Collateral Agent and the GAA Finance Parties may be required to obtain, verify and record information regarding any Credit Party, its directors, authorized signing officers, direct or indirect holders of its Capital Stock or other Persons in control, directly or indirectly, of 25% or more of the Capital Stock of such Credit Party, and the transactions contemplated hereby, the Credit Parties shall provide all such information, including supporting documentation and other evidence, as may be requested by the Collateral Agent of the Funding Vehicle, in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

10.27 **Funding of the DSRA Prior to Commissioning**

The Partnership covenants and agrees that, to the extent that Commissioning has not occurred by the 7th anniversary of the first LIL Drawdown Date, it shall, on the LIL Drawdown Date immediately following such 7th anniversary date, fund the DSRA in an

amount equal of the Minimum DSRA Requirement (the "**DSRA Prefunding**"). The parties hereto acknowledge and agree that as part of the DSRA Prefunding, the Minimum DSRA Requirement shall be included as part of the Funding Requirements to be funded pursuant to the Funding Request relating to such LIL Drawdown Date. For greater certainty, in the event that the Available LIL Construction Facility is not nil, but without limiting the provisions of Section 7.3, the condition precedent set forth in subsection 7.6.2 shall apply to the DSRA Prefunding.

10.28 Costs Overruns

10.28.1 Starting on the first anniversary of the first LIL Drawdown Date, and on each anniversary date thereafter (or, in each case, if such anniversary date is not a Business Day, on the first Business Day following such anniversary date) up to the Commissioning Date, the Partnership shall cause Devco to deliver to the Collateral Agent a certificate (the "**Cost Overruns Certificate**"):

10.28.1.1 reporting on the Cost to Complete;

10.28.1.2 advising of any changes to the Project Schedule and the expected Commissioning Date;

10.28.1.3 confirming the amount of Cost Overruns, if any, as at the date of such certificate; and

10.28.1.4 confirming that any such Cost Overruns have been funded in accordance with the terms hereof. The amounts set forth in the Cost Overruns Certificate shall be confirmed by the Independent Engineer in a certificate delivered to the Collateral Agent concurrently with the Cost Overruns Certificate which shall include comments by the Independent Engineer on the reasonableness of the Cost to Complete and the adequacy of the funding of the Cost Overruns.

10.28.2 The Partnership hereby covenants and agrees that any Cost Overruns shall be funded as follows:

10.28.2.1 on the first anniversary date of the first LIL Drawdown Date (or, if such anniversary date is not a Business Day, on the first Business Day following such anniversary date), an amount equal to the aggregate Cost Overruns, calculated as at such anniversary date, divided by the number of calendar years remaining to the expected Commissioning Date (each an "**Initial Cost Overrun Instalment Payment**") shall have been funded, and the Initial Cost Overrun Instalment Payment shall be funded on each anniversary date thereafter until an amount equal to such aggregate Cost Overruns shall have been paid;

- 10.28.2.2 on the second anniversary date of the first LIL Drawdown Date and on each anniversary date thereafter (or, in each case, if such anniversary date is not a Business Day, on the first Business Day following such anniversary date) up to the Commissioning Date, if the Cost to Complete as at such anniversary date plus the Project Costs incurred and paid for since Project Commencement less the amount of the Project Budget exceed the Cost Overruns reported as at the previous anniversary date, an amount equal to such excess, which is the additional Cost Overrun for that year (an "**Additional Cost Overrun**"), divided by the number of calendar years remaining to the expected Commissioning Date (each an "**Annual Cost Overrun Instalment Payment**") then that Annual Cost Overrun Instalment Payment shall be funded on each anniversary date thereafter until an amount equal to the aggregate Additional Cost Overrun has been paid;
- 10.28.2.3 each Initial Cost Overrun Instalment Payment and Annual Cost Overrun Instalment Payment shall be funded by way of an advance of cash by the Partnership into the Cost Overrun Escrow Account. The Cost Overrun Escrow Account will be under the control of the Collateral Agent for the purpose of funding Cost Overruns and shall form part of the Security;
- 10.28.2.4 following the Available LIL Construction Facility being nil and the amounts on deposit in the Working Capital Reserve Account being nil, all Eligible Project Costs shall be funded by the use of the amounts so deposited in the Cost Overrun Escrow Account. Funds shall be released from the Cost Overrun Escrow Account in a manner similar to that contemplated in Section 7.8 in connection with WCR Releases. If at any time between the first LIL Drawdown Date and the Commissioning Date, the balance outstanding in the Cost Overrun Escrow Account is nil, Eligible Project Costs shall be funded through Contingency Equity Contributions or Additional Debt, as may be permitted under the terms hereof;
- 10.28.2.5 where immediately prior to Commissioning any balance remains outstanding in the Cost Overrun Escrow Account, then upon Commissioning, such balance shall be released from the Cost Overrun Escrow Account and applied at the Partnership's option;
- 10.28.2.6 for all purposes of calculating the DER, following the Available LIL Construction Facility being nil and the amounts on deposit in Working Capital Reserve Account being nil, the amounts deposited into the Cost Overrun Escrow Account shall be deemed to form part of the Capital Account, but not before; and

10.28.2.7 any amount on deposit in the Cost Overrun Escrow Account shall be used exclusively to fund Project Costs, and, for greater certainty, shall not be used for the payment of any debt service obligations, other than to the extent that they constitute Project Costs.

10.29 **Schedules to be Completed Following the Closing Date**

The Partnership hereby undertakes to, concurrently with the execution and delivery of the Underwriting Agreement, deliver to the Collateral Agent Schedule "E", Schedule "T", Part II (Soft Costs) of Schedule "U", Schedule "Y" and Schedule "BB", with, in the case of each such schedule, the acknowledgement set forth therein duly executed by the Partnership, and in each case completed so as to provide for all information required pursuant to the terms hereof.

ARTICLE 11

INFORMATION COVENANTS

So long as the LIL Construction Loan or any other amount payable hereunder or, for clarity and without duplication, any amount payable to Canada under the GAA, or, for clarity and without duplication, any amount payable to Canada under the GAA, is outstanding and unpaid or the Partnership shall have the right to borrow hereunder (whether or not the conditions to borrowing have been or can be fulfilled) and unless the Collateral Agent shall otherwise consent in writing, the Credit Parties covenant and agree that:

11.1 **Quarterly Financial Statements and Information**

Within sixty (60) days after the end of each of the first three (3) fiscal quarters in each of the fiscal years of each Credit Party, the Partnership shall deliver to the Collateral Agent:

- 11.1.1 the unaudited consolidated Financial Statements of each Credit Party for such fiscal quarter;
- 11.1.2 during the Operating Period, a LIL Compliance Certificate. If a LIL Compliance Certificate delivered pursuant to this Section indicates that the Retrospective DSCR or the Prospective DSCR as at the end of any relevant rolling twelve (12) month period was less than 1.40, the Partnership shall also provide to the Collateral Agent such information as to the reasons why the DSCR was less than 1.40 and the means by which the Partnership proposes to increase the DSCR; and
- 11.1.3 during the Operating Period, an operating report in the form of the one attached as Schedule "J" signed by a Responsible Officer of Opco, in his capacity as an officer of Opco and without personal liability, containing a quarterly and year-to-date numerical and narrative assessment of (i) the variance analysis of the Project's compliance with each material category in

the applicable Annual O&M Budget, (ii) any material casualty losses, (iii) replacement of material equipment not contemplated by the then current Annual Maintenance Plan, and (iv) an update on works performed to date pursuant to the Annual Maintenance Plan (an "**Operating Report**").

11.2 **Annual Financial Statements and Information**

Within one hundred and twenty (120) days after the end of each fiscal year of each Credit Party, the Partnership shall deliver to the Collateral Agent:

- 11.2.1 the audited consolidated Financial Statements of such Credit Party, as certified by a national firm of chartered accountants of recognized standing and accompanied by such auditors' report which must not contain any expression of any material concern as to whether or not such Financial Statements do present fairly the financial position of such Credit Party;
- 11.2.2 during the Operating Period, a LIL Compliance Certificate. If a LIL Compliance Certificate delivered pursuant to this Section indicates that the Retrospective DSCR or the Prospective DSCR as at the end of any relevant rolling twelve (12) month period was less than 1.40, the Partnership shall provide to the Collateral Agent such information as to the reasons why the DSCR was less than 1.40 and the means by which the Partnership proposes to increase the DSCR; and;
- 11.2.3 following the beginning of the Operating Period, an Operating Report with respect to the last fiscal quarter of the previous fiscal year.

11.3 **Construction Reports**

During the Construction Period, the Partnership shall deliver to the Collateral Agent and the Independent Engineer, a construction report in the form of the one attached as Schedule "K" on the twentieth (20th) day of each month, or where the twentieth (20th) day of a month is not a Business Day, the Business Day immediately following the twentieth (20th) day of such month, with respect to the prior month, which report shall be executed by a Responsible Officer of Devco, in his capacity as an officer of Devco and without personal liability, attesting or providing:

- 11.3.1 Hard Costs incurred as at the Effective Date in such prior month by major expense category and compared as against the original Project Budget;
- 11.3.2 an analysis of the Cost to Complete;
- 11.3.3 a description of any Cost Variances detailing any variances from the Project Budget (with a narrative explanation of such variances);
- 11.3.4 the estimated Commissioning Date detailing any variances which would delay the Commissioning Date beyond the Date Certain;

- 11.3.5 a description of any material disputes with any Material Project Participant and any related claims against the Partnership;
- 11.3.6 a narrative report describing in reasonable detail the progress of the construction of the Project since the last report hereunder and compared as against the originally established milestones in the Project Schedule;
- 11.3.7 that the Project is being built substantially in all respects in accordance with the Project Plans and Good Utility Practice and that, subject to Sections 9.5 and 9.14, such officer has no reason to believe that the Project is being built in violation of any Applicable Laws or Authorizations in effect at the time of performance of the relevant work;
- 11.3.8 that, subject to Sections 9.5 and 9.14, all Material Project Participants and other Persons participating or working toward the Commissioning of the Project, to the best of such Responsible Officer's Knowledge, are not in material default with respect to any of their respective obligations which would delay Commissioning beyond the Date Certain and the Partnership is not in material default in the payment of any sums due to such Persons in accordance with the terms agreed upon or in the fulfilment of any of its obligations with respect to such Persons, save and except with respect to such payments or obligations which the Partnership shall be contesting diligently and in good faith and in respect of which, in the event that such contestation should prove unsuccessful, no Lien shall be created or result upon or with respect to any LIL Assets and Rights now owned or hereafter acquired by the Partnership, except for Permitted Encumbrances;
- 11.3.9 that, subject to Sections 9.5 and 9.14, all Authorizations which, under Applicable Law, at such time are necessary to have been obtained in connection with the Project and the work currently being performed on the Project, have been obtained and are in full force and effect and do not contain any condition which could prevent or adversely affect the ability of the Partnership of attaining Commissioning by the Date Certain; and
- 11.3.10 as to the Additional Material Project Documents, if any, entered into by the Partnership since the last such certificate or the Closing Date, as the case may be;

which report shall be accompanied with all such supporting documentation and information as will permit the Collateral Agent and the Independent Engineer to verify the information and calculations given and made in such report (a "**Construction Report**").

11.4 **Distribution Certificate**

If the Partnership wishes to make a Distribution, other than one contemplated in subsection 12.6.1 or paragraph 12.6.2.1, during any fiscal quarter (it being understood that only one Distribution may be made per fiscal quarter), then a Distribution Certificate

must be delivered to the Collateral Agent no less than five (5) Business Days prior to the proposed Distribution Date:

- 11.4.1 setting forth a calculation of Distribution Funds; and
- 11.4.2 certifying whether each of the Distribution Conditions has been met or will be met on the relevant Distribution Date.

11.5 **Budget Information**

During the Operating Period, the Partnership shall provide to the Collateral Agent, not more than ninety (90) days following the end of each fiscal year of the Partnership, the forecasted Financial Statements of each Credit Party for the following fiscal year, detailed on a quarterly basis in a manner satisfactory to the Collateral Agent.

During the Operating Period, Opco shall provide to the Collateral Agent not less than thirty (30) days before the end of each fiscal year, the Annual O&M Budget and the Annual Maintenance Plan for the following fiscal year.

11.6 **Notice of Litigation and other Matters**

The Credit Parties shall deliver to the Collateral Agent notice of the following events after Knowledge thereof (which notice shall in any event be given within twenty (20) days after the Credit Parties have Knowledge thereof):

- 11.6.1 the commencement of all proceedings (including any notices of infraction) and investigations by or before any Governmental Authority and all actions and proceedings in any court or before any arbitrator against, or (to the extent Known to the Credit Parties) in any other way relating to any Credit Party, any of their respective Assets, the Project or, to the Knowledge of the Credit Parties, threatened against a Credit Party or the Project, in each case which would have a Material Adverse Effect;
- 11.6.2 any event or events which, singly or in the aggregate, would have a Material Adverse Effect;
- 11.6.3 any LIL Event of Default;
- 11.6.4 any Release of any Hazardous Material at, upon, under, over, within, with respect to or emanating from the LIL Land Area in violation of any applicable Environmental Law, which would have a Material Adverse Effect;
- 11.6.5 copies of all orders, notices or Authorizations from environmental Governmental Authorities where the issue thereof would, singly or in the aggregate, have a Material Adverse Effect;
- 11.6.6 the occurrence of a material event of Force Majeure described in reasonable detail, the effects of such event on the Project Schedule and Project Budget or

the operation of the LIL Assets and Rights, the action which the appropriate Credit Party intends to take to remedy such event and the estimated date when the event of Force Majeure will be remedied and will cease to impair the Project Schedule and Project Budget or the operation of the LIL Assets and Rights as well as notice of the cessation of any event of Force Majeure;

- 11.6.7 any circumstance of which the Credit Parties have notice or have Knowledge which would result in a material breach of, or material default under, a Material Project Document by any party thereto;
- 11.6.8 any notice received by any Credit Party of any Expropriation Event as regards any of the Assets of any Credit Party;
- 11.6.9 any casualty, damage or loss, whether or not insured, or any act or omission of the Credit Parties, their officers, directors, agents, contractors, consultants or representatives, or of any other Person if such casualty, damage or loss affects any Credit Party or the Project, in excess of \$50,000,000 for any one casualty or loss, or an aggregate of \$100,000,000;
- 11.6.10 any cancellation or material change in the terms, coverages or amounts of any insurance described in Section 10.6, unless such cancellation or material change has been approved by the Collateral Agent;
- 11.6.11 any intentional withholding of material compensation to any Material Project Participant under any Material Project Document;
- 11.6.12 any material breach or material dispute under any Material Project Document;
- 11.6.13 any material delay in the anticipated Commissioning Date; and
- 11.6.14 any of the events to which reference is made in Section 10.4.

11.7 **Operating Budget**

Opcos shall deliver to the Collateral Agent, not later than ninety (90) days prior to the anticipated Commissioning Date, the O&M Budget and the LTAMP.

11.8 **Other Information**

Following each request, the Credit Parties shall furnish to the Collateral Agent, such data, certificates, reports, statements, documents or further information regarding the Project or the business, Assets, liabilities, financial position or results of operations of any Credit Party as the Collateral Agent may request including any certificates and documents that the Collateral Agent may request in order to monitor the compliance of the Credit Parties with any AML Legislation.

11.9 **Distribution by Use of Websites**

Each Credit Party may satisfy its obligations under this Agreement to deliver to the Collateral Agent, or any advisor thereof, including the Independent Engineer, copies of the information, notices, reports and documents referred to in this Agreement, including those referred to in Article 7 by posting this information onto a secure and confidential electronic website (which shall include IntraLinks) designated by the Partnership to which the Collateral Agent and the GAA Finance Parties have access and which creates automatic notice of posting to the access list. The Partnership shall supply the Collateral Agent and the GAA Finance Parties with the address of and any relevant password specifications for that designated website. Any website designated pursuant to this Section 7.9 must have appropriate and sufficient archiving and retrieval capabilities (including, without limitation, the ability to retrieve materials in printable form) as well as business interruption and server redundancy features, all as approved by the Collateral Agent.

ARTICLE 12

NEGATIVE COVENANTS

So long as the LIL Construction Loan or any other amount payable hereunder is outstanding and unpaid or the Partnership shall have the right to borrow hereunder (whether or not the conditions to borrowing have been or can be fulfilled) and unless the Collateral Agent shall otherwise consent in writing, the Credit Parties hereby covenant that:

12.1 **Liens**

No Credit Party will create, incur, assume or suffer to exist any Lien upon or in respect of any of its present or future Assets other than Permitted Encumbrances.

12.2 **Indebtedness**

No Credit Party will incur, create, assume or suffer to exist any Indebtedness except for:

- 12.2.1 Indebtedness under this Agreement and the other LIL Project Finance Documents;
- 12.2.2 Indebtedness secured by a Lien which is a Permitted Encumbrance (other than a Lien securing Purchase Money Obligations);
- 12.2.3 trade payables or similar Indebtedness incurred in the ordinary course of business and for the purpose of carrying on same, representing the deferred purchase price of property or services;
- 12.2.4 Indebtedness of the Partnership and Opco under the Intermediary Trust Guarantee;

- 12.2.5 Indebtedness under Purchase Money Obligations; provided, however, that the aggregate principal amount of Purchase Money Obligations of all the Credit Parties outstanding at any time shall not exceed CDN\$15,000,000; and
- 12.2.6 Additional Debt incurred by the Partnership provided, however that (i) any such Additional Debt that is secured by Liens on any of the Assets of the Partnership shall be expressly subordinated to the Liens under the LIL Security Documents on terms and conditions satisfactory to the Collateral Agent (ii) immediately after incurring such Additional Debt and after giving effect thereto no LIL Event of Default shall exist, and (iii) if such Additional Debt is incurred (a) during the Operating Period, the Prospective DSCR would not be less than 1.40 and the DER would not be greater than 75% as evidenced by a certificate signed by a Responsible Officer of the General Partner, in his capacity as an officer of the General Partner and without personal liability, delivered to the Collateral Agent at least five (5) Business Days prior to the incurrence of such Additional Debt or (b) during the Construction Period a certificate signed by a Responsible Officer of the General Partner, in his capacity as an officer of the General Partner and without personal liability, is delivered to the Collateral Agent at least five (5) Business Days prior to the incurrence of such Additional Debt, confirming that the servicing of such Additional Debt constitutes Project Costs and will therefore be funded as any other Project Costs under the terms of this Agreement and during the Operating Period the servicing of such Additional Debt is provided for under the LIL Lease as part of the rental payments thereunder.

12.3 **Derivative Instruments**

The Credit Parties will not enter into or be a party to any Derivative Instrument.

12.4 **Business Combinations**

No Credit Party will wind-up, liquidate or dissolve its affairs or enter into any transaction of amalgamation, merger, consolidation or other business combination or convey, sell, alienate, lease or otherwise dispose of (or agree to do any of the foregoing, at any future time) all or substantially all of its Assets, save and except that:

- 12.4.1 a Credit Party may amalgamate with another Credit Party or another Subsidiary of Nalcor if the amalgamated corporation (and Obligors' Counsel) confirms to the Collateral Agent in writing that it is liable, by operation of law or otherwise, for the obligations of the amalgamating corporations under the LIL Project Finance Documents and the Intermediary Trust Guarantee and executes and delivers a confirmatory assumption agreement, in form and substance acceptable to the Collateral Agent;
- 12.4.2 a Credit Party may convey, sell, alienate, lease or otherwise dispose of all or substantially all of its Assets to another Credit Party or another Subsidiary of

Nalcor provided that the purchaser of such Assets executes and delivers to the Collateral Agent an assumption agreement and any supplemental LIL Security Documents as may be required by the Collateral Agent, in form and substance acceptable to the Collateral Agent; and

- 12.4.3 the Partnership may lease, transfer or assign the LIL Assets and Rights to Opco pursuant to the LIL Lease;

provided that in each of the foregoing cases, at the time any of the transactions contemplated thereunder are carried out and immediately after giving effect thereto, no LIL Event of Default shall have occurred and be continuing.

12.5 **Investments**

Neither the Partnership nor Opco will make any Investment other than Permitted Investments.

12.6 **Distributions**

- 12.6.1 Neither the Partnership nor Opco may declare or make any Distribution to any Person during the Construction Period save and except that the Partnership may declare and make Distributions during the Construction Period to Nalcor LP, on a quarterly basis provided, however, that (i) no LIL Event of Default exists on the date of any such proposed Distribution and (ii) the amount of each such Distribution does not exceed the Income on Prepaid Rent, has not been previously distributed by the Partnership and is sourced from such Income on Prepaid Rent by a withdrawal from the Prepaid Rent Reserve Account, the whole as certified to the Collateral Agent in writing by a Responsible Officer of the General Partner, in his capacity as an officer of the General Partner and without personal liability, at least two Business Days prior to any such proposed Distribution Date;

- 12.6.2 Neither the Partnership nor Opco may declare or make any Distribution to any Person during the Operating Period save and except that:

12.6.2.1 the Partnership may declare and make Distributions to Nalcor LP, on a quarterly basis provided, however, that (i) no LIL Event of Default exists on the date of any such proposed Distribution and (ii) the amount of each such Distribution does not exceed the Income on Prepaid Rent, has not been previously distributed by the Partnership and is sourced from such Income on Prepaid Rent by a withdrawal from the Prepaid Rent Reserve Account;

12.6.2.2 the Partnership may declare and make Distributions other than those contemplated in Section 12.6.2.1, on a quarterly basis provided, however, that such Distributions are sourced from Distribution Funds on a Distribution Date and the Distribution Conditions are met on such Distribution Date;

- 12.6.2.3 the Partnership may declare and make Distributions other than those otherwise provided for in this subsection provided, however, that (i) no LIL Event of Default exists on the date of any such proposed Distribution and (ii) such Distribution is made from the Cost Overrun Escrow Account in accordance with paragraph 10.28.2.5;
- 12.6.2.4 Opco may declare and make Distributions to Nalcor, on a monthly basis, during any year for which Opco previously paid Prepaid Rent to the Partnership provided, however, that (i) no LIL Event of Default exists on the date of any such proposed Distribution and (ii) the aggregate amount of such Distributions made in such year does not exceed the amount of the Prepaid Rent previously paid by Opco to the Partnership in respect of such year and is sourced from amounts received by Opco from NLH pursuant to the TFA on account of Rent payable by Opco during such year; and
- 12.6.2.5 Opco may declare and make Distributions to Nalcor, at any time following receipt of any TFA Payment, in amount of up to \$30,000, paid from the proceeds of the portion of such TFA Payment referenced in clause (c) of Section 3.1 of the TFA, provided, however, that no LIL Event of Default exists on the date of any such proposed Distribution.

12.7 **Change of Year-End**

No Credit Party will change its fiscal year-end or the end of any of its fiscal quarters. On the Closing Date, the fiscal year-end of each Credit Party is December 31.

12.8 **Change in Business**

No Credit Party will effect any change in the nature of its business as described in Section 9.22 or cease to carry on its business.

12.9 **Pension Plans and Employees**

No Credit Party shall create any Pension Plan or have any employee.

12.10 **Sale or Lease of Assets**

Neither the Partnership nor Opco shall sell, lease or otherwise dispose of its Assets, whether now owned or hereafter acquired, except for:

- 12.10.1 disposals of all or substantially all of its assets as permitted pursuant to Section 12.4; and
- 12.10.2 disposals of obsolete, worn out or other Assets not used or required for the continued operation of the Project up to an aggregate fair market value not to

exceed CDN\$10,000,000 per fiscal year of the Partnership, and disposals of other Assets consisting of temporary facilities, equipment and buildings.

12.11 **Subsidiaries**

Neither the Partnership nor Opco shall create or acquire any Subsidiary.

12.12 **Material Project Documents**

No Credit Party shall cause, consent to, or permit, any termination, amendment or variance of, or waiver of timely compliance with, any of the terms or conditions of or obligations under any Material Project Document save and except:

- 12.12.1 any amendments or modifications to cure any defective provisions contained therein or to permit other minor deviations from the terms thereof;
- 12.12.2 amendments, waivers or variances that are not adverse to the Credit Parties or the Project in any material respect;
- 12.12.3 Change Orders permitted pursuant to Section 10.13; and
- 12.12.4 as may be provided in the LIL Remedies Agreement, the TFA, the LIL Assets Agreement or the LIL Lease.

12.13 **Abandonment of Project**

The Partnership shall not voluntarily abandon construction of the Project and Opco shall not voluntarily abandon the operation of the Project, in each case for a continuous period of more than thirty (30) days, except in the case of Force Majeure where such period shall be extended unless it causes the occurrence of a default under any Material Project Document and in the case of Opco, as contemplated in (i) Section 2.6(a) of the LIL Remedies Agreement provided that NLH is exercising its rights thereunder or (ii) Section 2.6(b) of the LIL Remedies Agreement provided that the Partnership is exercising its rights thereunder.

12.14 **Project Accounts**

The Partnership and Opco shall not change the location of the Project Accounts without the prior written consent of the Collateral Agent (such consent not to be unreasonably withheld or delayed), *provided that* (i) the Collateral Agent, (ii) the Partnership or Opco, as the case may be, and (iii) such bank to which the Project Accounts are to be moved shall, prior to such change in location, enter into such agreements as the Collateral Agent may request, acting reasonably, to preserve, perfect and protect the Liens under the Security Documents in the funds standing to the credit of the Project Accounts.

12.15 Non-Arm's Length Transactions

Save and except for Material Project Documents entered into with Affiliates of the Partnership, the Partnership shall not permit any transaction, repay any debt, liabilities or obligations owing to, or transfer any undertaking or property (other than at fair market value for cash or save as otherwise permitted under the LIL Lease) to, or purchase any undertaking or property from or otherwise enter into any transaction or agreement (other than on commercially reasonable terms) with, any Affiliate (or any Person who, after the completion of the transaction, would become an Affiliate) or any trustee, director, officer, employee, shareholder, unitholder, or Person not dealing at arm's length (within the meaning of the *Income Tax Act* (Canada)).

12.16 Use of Project Sites

The Partnership and Opco shall not use any sites of the Project for any purpose other than the construction and operation of the Project, without the consent of the Collateral Agent, acting reasonably and without undue delay, after consultation by the Collateral Agent with such consultants as the Collateral Agent may deem reasonably necessary.

12.17 Amendments to Organizational Documents

No Credit Party shall amend any of its Organizational Documents in a manner that would be reasonably expected to adversely affect the rights and remedies of the Collateral Agent.

12.18 Securities Issuances

No Credit Party shall issue any securities unless the issued securities are concurrently and validly pledged as a first priority Lien, subject to Permitted Encumbrances, in favour of the Collateral Agent.

ARTICLE 13**EVENTS OF DEFAULT**

The occurrence of any one or more of the following events shall constitute a LIL Event of Default (each such event being herein referred to as a "**LIL Event of Default**"):

13.1 Non-Payment of Principal or Interest

The Partnership fails to pay, when due, any Sinking Fund Payment or amount of principal, interest or fees outstanding hereunder or under any other LIL Project Finance Document within five (5) Business Days of the due date thereof.

13.2 Misrepresentation

Any representation or warranty made or deemed made by any Credit Party herein or in any other LIL Project Finance Document is found to have been false, inaccurate, incomplete, fraudulently made, or breached in any material respect.

13.3 Breach of Covenants

Any Credit Party fails to perform or comply with any provision or obligation (other than those specifically referred to in the other Sections of this Article) contained herein or in any other LIL Project Finance Document and such failure continues unremedied for a period of thirty (30) days following the issuance to such Credit Party by the Collateral Agent of a notice thereof.

13.4 Unsatisfied Judgments

Any judgment or decree for the payment of money is entered against either the Partnership or Opco and is not vacated, discharged, stayed or collateral has not been posted with respect thereto pending appeal within sixty (60) days of the entry thereof, or is not vacated or discharged prior to the expiration of any stay of proceedings applicable thereto, and involves a liability (not paid or fully covered by insurance) the amount of which, singly or when aggregated with all such liabilities of the Partnership and Opco, exceeds CDN\$50,000,000.

13.5 Enforcement Proceeding

Any Enforcement Proceeding is commenced against either the Partnership or Opco, is not vacated, discharged, dismissed or stayed within sixty (60) days of the commencement thereof, and relates to a material part of the LIL Assets and Rights.

13.6 Insolvency

An Insolvency Event shall have occurred with respect to (i) the Partnership, (ii) the General Partner, (iii) Opco, or (iv) Nalcor.

13.7 Change of Control

Should Nalcor cease to Control any Credit Party or should Nalcor cease to be Controlled by NL Crown.

13.8 Default under Equity Agreements

If (i) the General Partner fails to issue a Cash Call Notice (as defined in the ESA) and, further to a Payment Demand (as defined in the ESG) made by the Collateral Agent to NL Crown in accordance with the provisions of the ESG in connection with such breach by the General Partner, NL Crown fails to pay the amount specified in such Payment Demand within ninety (90) days following its issuance by the Collateral Agent or (ii) Nalcor or Nalcor LP fails to make any equity contribution as and when required

pursuant to the provisions of the ESA and further to a Payment Demand (as defined in the ESG) made by the Collateral Agent to NL Crown in accordance with the provisions of the ESG in connection with such breach by Nalcor LP or Nalcor, NL Crown fails to pay the amount specified in such Payment Demand within ninety (90) days following its issuance by the Collateral Agent.

13.9 **Failure to furnish a Construction Report**

Should the Partnership fail to furnish to the Collateral Agent and the Independent Engineer a Construction Report when required under the provisions of Section 11.3 and such failure continues unremedied for a period of thirty (30) days.

13.10 **Denial of Obligations**

Should the Partnership or Opco deny to any material extent, its obligations under any LIL Project Finance Document or claim any of the LIL Project Finance Documents to be rescinded, terminated (other than a scheduled termination), invalid or withdrawn, in whole or in part, or if any LIL Project Finance Document ceases to be in full force and effect otherwise than in accordance with the provisions thereof.

13.11 **Material Project Documents Default**

If any Credit Party or any Material Project Participant breaches or defaults under any material provision contained in any Material Project Document (other than the TFA, the LIL Lease and the LIL Remedies Agreement) and such breach or default has a Material Adverse Effect and such breach or default shall continue unremedied for the applicable cure period or thirty (30) days in the event that no cure period is specified or the Partnership has not obtained, or caused to be obtained, a Replacement Obligor within such cure period of time.

13.12 **Non-Permitted Assignment of Material Project Documents**

If any Credit Party assigns any Material Project Document and such assignment is not permitted under the terms of such Material Project Document.

13.13 **Payment Default Under LIL Lease and TFA**

If NLH is in default of its obligation set forth in the TFA to make the TFA Payments and Opco is in default of its obligation set forth in the LIL Lease to pay Rent, and such failures to pay are not remedied within five (5) Business Days of the due date thereof.

13.14 **Sustaining Costs**

If the Partnership is in default of its obligation under the LIL Lease to pay Sustaining Costs and, within thirty (30) days of such default, NLH has not exercised any of its rights under Section 2.5(a) of the LIL Remedies Agreement.

13.15 Quiet Enjoyment

If the Partnership fails to provide quiet enjoyment of the LIL Assets and Rights to Opco in the circumstances described in Section 2.5(b) of the LIL Remedies Agreement and NLH suspends payment of the TFA Payments to Opco as provided in Section 2.5(b) of the LIL Remedies Agreement, unless within thirty (30) days of such default by the Partnership, the Partnership cures such default and NLH resumes making the TFA Payments.

13.16 O&M Activities

If Opco is in default of its obligation set forth in the LIL Lease or the TFA to carry out the O&M Activities in accordance with the applicable provisions of the LIL Lease or the TFA and, within thirty (30) days of such default by Opco, NLH and the Partnership fail to exercise their rights under Section 2.6(a) or Section 2.6(b), as applicable, of the LIL Remedies Agreement.

13.17 Other Default under LIL Lease or TFA

If any party to the LIL Lease or the TFA breaches or defaults under any material provision contained therein (other than those specifically referred to in any of Sections 13.12, 13.14, 13.15 or 13.16), and such breach or default shall continue to be unremedied for the applicable cure period or thirty (30) days in the event that no cure period is specified.

13.18 Authorization

If any Authorization is materially modified, suspended, revoked or cancelled by a Governmental Authority having jurisdiction or if any Authorization expires while it is still required for the Project; provided, however, that the foregoing shall not result in a LIL Event of Default if the Partnership diligently pursues and obtains a replacement of such Authorization within thirty (30) days after its material modification, suspension, revocation, cancellation or expiry, and such modification, suspension, revocation, cancellation or expiry does not result in a Material Adverse Effect.

13.19 Material Project Document Invalidity

If any Material Project Document ceases to be in full force and effect other than as a result of a scheduled termination or Commissioning and other than, in the case of the TFA, a termination thereof as contemplated in Section 2.5(e) of the LIL Remedies Agreement, and the Partnership fails, within thirty (30) days after such Material Project Document so ceases to be in effect, to replace such Material Project Document or cause it to be replaced, if required in the opinion of the Collateral Agent, with an Additional Material Project Document with a Replacement Obligor containing substantially the same terms as such Material Project Document and acceptable to the Collateral Agent.

13.20 Commissioning by Date Certain

If the Partnership fails to achieve Commissioning by the Date Certain.

13.21 Security

If any Lien under the LIL Security Documents ceases to constitute a valid and perfected first priority Lien (subject only to Permitted Encumbrances) in the appropriate Credit Party's Assets (other than Excluded Deposits and the Contributed Surplus).

13.22 Insurance Proceeds

In the event of loss or damage to the Project resulting in insurance proceeds of more than CDN\$100,000,000, the insurance proceeds are not sufficient to repair, rebuild or replace the damage or destruction in respect of which the insurance proceeds are payable, and the deficiency cannot be claimed either as a TFA Payment or Rent, unless within ninety (90) days following the payment of such insurance proceeds, the Partnership funds the deficiency to the satisfaction of the Collateral Agent.

13.23 Abandonment of Project

If the Partnership fails to comply with the provisions of Section 12.13 or if any owner of the Project abandons the Project.

13.24 Unauthorized Transfer

If either the Partnership or Opco fails to comply with the provisions of Section 12.10.

13.25 DSCR

If any LIL Compliance Certificate delivered pursuant to Section 11.1 or 11.2 demonstrates that the Retrospective DSCR or the Prospective DSCR is less than 1.10 as at the end of any rolling twelve (12) month period and such default is not remedied within thirty (30) days following the delivery of any such LIL Compliance Certificate.

13.26 Debt Service Reserve

If at any time following the Commissioning Date the balance in the DSRA is less than the Minimum DSRA Requirement and the Partnership fails to deposit in the DSRA such amounts as are necessary to fund the deficiency within five (5) Business Days following the issuance to the Partnership by the Collateral Agent of a notice to do so.

13.27 Muskrat/LTA Cross Default

If any Muskrat/LTA Event of Default occurs, provided, however, that this LIL Event of Default shall automatically be cured in the event that the Muskrat/LTA Event of Default is either remedied or waived by the Muskrat/LTA Collateral Agent before the Collateral Agent exercises any of the rights set forth in Article 14.

13.28 Intermediary Trust Cross Default

If any IT Event of Default occurs, provided, however, that this LIL Event of Default shall automatically be cured in the event that the IT Event of Default is either remedied or waived by the Collateral Agent before the Collateral Agent exercises any of the rights set forth in Article 14.

13.29 Assignment by the Partnership

If the Partnership purports to assign this Agreement without the prior written consent of the Collateral Agent.

ARTICLE 14**REMEDIES****14.1 Preliminary Measures**

Upon the occurrence of a LIL Event of Default (other than a LIL Event of Default listed in subsections 14.1.1 to 14.1.8), a one hundred and fifty (150) day consultation period (the "**Remedies Consultation Period**") shall automatically be triggered during which the Credit Parties shall meet with the Collateral Agent and the GAA Finance Parties during normal business hours, on request made by the Collateral Agent or the Credit Parties from time to time during such Remedies Consultation Period reasonably in advance of any proposed meeting, to discuss the LIL Event of Default, the cause of such LIL Event of Default and potential actions to be taken to cure the LIL Event of Default and attempt to come to an agreement on how to implement the remedy for the LIL Event of Default in a timeframe acceptable to all such parties. Notwithstanding the existence of any LIL Event of Default (other than a LIL Event of Default listed in subsections 14.1.1 to 14.1.8) during the Remedies Consultation Period, neither the Collateral Agent nor any of the GAA Finance Parties shall be entitled to exercise any Right, Recourse or Remedy that might otherwise be available to it or them hereunder, under any other LIL Project Finance Document or under any Applicable Law including those contemplated in Section 14.2, save and except (i) for the right of the Collateral Agent to apply amounts on deposit in the DSRA to the payment of any Sinking Fund Payments then due and outstanding or any payment under the LIL Loan then due and outstanding and (ii) that as of and from the 90th day of such Remedies Consultation Period, the Collateral Agent may issue to the Credit Parties (but not to third parties) any notices for enforcement required to be issued under Applicable Law similar to the notices required under Section 244 of the *Bankruptcy and Insolvency Act* (Canada), provided, however, that no such notice may be published, filed or registered in any public registry or elsewhere until the expiry of such Remedies Consultation Period. If at any time during a Remedies Consultation Period, an Insolvency Event (other than an Insolvency Event under clause (v) of the definition of "Insolvency Event") occurs with respect to any Credit Party or Nalcor, then such Remedies Consultation Period shall thereupon terminate. The following LIL Events of Default shall not trigger a Remedies Consultation Period:

- 14.1.1 a LIL Event of Default under Section 13.6 resulting from an Insolvency Event other than an Insolvency Event under clause (v) of the definition of "Insolvency Event";
- 14.1.2 a LIL Event of Default under Section 13.7;
- 14.1.3 a LIL Event of Default under Section 13.10;
- 14.1.4 a LIL Event of Default under Section 13.12;
- 14.1.5 a LIL Event of Default under Section 13.19, but only to the extent that it relates to the LIL Lease or the TFA;
- 14.1.6 a LIL Event of Default under Section 13.23;
- 14.1.7 a LIL Event of Default under Section 13.27, but only to the extent that the Muskrat/LTA Event of Default giving rise to such a LIL Event of Default has not triggered a concurrent Remedies Consultation Period (as defined in the Muskrat/LTA Master Definitions Agreement);
- 14.1.8 a LIL Event of Default under Section 13.28, but only to the extent that the IT Event of Default giving rise to such a LIL Event of Default is **(a)** an IT Event of Default under Section 13.6 of the IT Project Finance Agreement resulting from an Insolvency Event other than an Insolvency Event under clause (v) of the definition of "Insolvency Event" or **(b)** an IT Event of Default under Section 13.7 of the IT Project Finance Agreement.

14.2 **Termination and Acceleration**

Upon the occurrence and during the continuance of an Enforcement Event, the Collateral Agent may do any one or more of the following:

- 14.2.1 declare the whole or any part of the LIL Construction Facility to be cancelled, terminated or reduced, whereupon the Intermediary Trust shall not be required to make any further Advance hereunder in respect of such portion of the LIL Construction Facility so cancelled, terminated or reduced;
- 14.2.2 accelerate the maturity of all or any item or part of the LIL Loan and declare them and any applicable LIL Make-Whole Amount to be payable on demand or immediately due and payable, whereupon they shall be so accelerated and become so payable or due and payable, as the case may be;
- 14.2.3 enforce or realize upon all or any Lien granted under the LIL Project Finance Documents;
- 14.2.4 suspend any rights of the Credit Parties under any LIL Project Finance Document, whereupon such rights shall be so suspended; and

14.2.5 take any other action, commence any other suit, action or proceeding or exercise such other rights as may be permitted by any LIL Project Finance Document or Applicable Law (whether or not provided for in any LIL Project Finance Document) at such times and in such manner as the Collateral Agent may consider expedient,

all without any additional notice, demand, presentment for payment, protest, noting of protest, dishonour, notice of dishonour or any other action being required. If an Enforcement Event occurs and is continuing, the LIL Construction Facility shall immediately and automatically be cancelled and the LIL Loan and the LIL Make-Whole Amount shall be accelerated and become immediately and automatically due and payable without any action on the part of the Collateral Agent or any of the GAA Finance Parties being required.

14.3 **Distribution of Proceeds of Realization**

Any Proceeds of Realization received by any of the Intermediary Trust or the Collateral Agent, as the case may be, shall be applied as follows:

14.3.1 firstly, to pay all costs (including Realization Costs) incurred or paid by the Intermediary Trust, the other GAA Finance Parties and the Collateral Agent up to and including the day any Proceeds of Realization are distributed in accordance with the provisions of this subsection 14.3.1;

14.3.2 secondly, to pay all other Various Agent Costs and Expenses incurred or paid up to and including the day any Proceeds of Realization are distributed in accordance with the provisions of this subsection 14.3.2;

14.3.3 thirdly, to pay all Intermediary Trust Project Costs and Expenses incurred or paid up to and including the day any Proceeds of Realization are distributed in accordance with the provisions of this subsection 14.3.3;

14.3.4 fourthly, to pay all Funding Vehicle Project Costs and Expenses incurred or paid up to and including the day any Proceeds of Realization are distributed in accordance with the provisions of this subsection 14.3.4;

14.3.5 fifthly, to pay all Canada Project Costs and Expenses incurred or paid up to and including the day any Proceeds of Realization are distributed in accordance with the provisions of this subsection 14.3.5;

14.3.6 sixthly, to pay (i) all interest and LIL Stand-By Fee in respect of the LIL Loan, (ii) all principal on the LIL Loan and any LIL Make-Whole Amount, and (iii) all breakage costs and other losses and expenses, in all cases then due and payable pursuant to the provisions of the Consolidated Transaction Documents up to and including the day any Proceeds of Realization are distributed in accordance with the provisions of this subsection 14.3.6; and

14.3.7 lastly, to pay any surplus to any Person or Persons who by Applicable Law shall have the right to receive same.

14.4 **Application of Payments**

Any payments received in respect of the LIL Secured Obligations from time to time may, notwithstanding any appropriation by the Partnership but subject to the provisions of Section 14.3, be appropriated to such parts of the obligations of the Partnership under any LIL Project Finance Documents and in such order as the Collateral Agent, acting in accordance with the Requisite Instructions sees fit, and the Collateral Agent shall have the right to change any appropriation at any time pursuant to any such Requisite Instructions.

ARTICLE 15

INDEMNITIES

15.1 **Change in Law**

If the Intermediary Trust determines (which determination shall be evidenced by a certificate submitted to the Partnership and the Collateral Agent by the Intermediary Trust and, in the absence of demonstrable error, such certificate shall constitute *prima facie* evidence of the subject matter thereof among the parties hereto) that:

15.1.1 a Change in Law has made or shall make it unlawful, impracticable or contrary to any Applicable Law for the Intermediary Trust to maintain or give effect to all or any part of its obligations as contemplated by this Agreement and the other LIL Project Finance Documents, or to make or maintain all or any part of the LIL Loan hereunder, then the obligations of the Intermediary Trust to maintain or give effect to such part of such obligations or to make or maintain such part of the LIL Loan shall terminate and, subject to the provisions of any such Applicable Law and those of Section 15.2 with respect to losses and expenses, the Partnership shall repay in full any such affected LIL Loan, together with all interest accrued thereon and the LIL Make-Whole Amount, immediately upon demand of the Intermediary Trust; or

15.1.2 a Change in Law has:

- (a) imposed, modified, or deemed applicable any loan ceiling against the Intermediary Trust or imposed, modified or deemed applicable any special Tax (other than a Tax on the overall net income of the Intermediary Trust), reserve, deposit or similar requirement with respect to assets held by, deposits in or for the account of, the acquisition of funds by, or loans by the Intermediary Trust; or
- (b) changed the basis of taxation of payments to the Intermediary Trust under this Agreement (other than a change affecting taxation on the overall net income of the Intermediary Trust); or

- (c) imposed on the Intermediary Trust any other condition (including the amount of capital required or expected to be maintained by the Intermediary Trust as a result of this Agreement) or monetary restraint with respect to this Agreement; and

the result of any of the foregoing is to increase the cost to the Intermediary Trust of making or maintaining the LIL Construction Facility, the LIL Loan or any part thereof or to reduce any amount receivable by the Intermediary Trust with respect to the LIL Loan or any part thereof by an amount which the Intermediary Trust deems in its sole discretion to be material, within ten (10) Business Days of receipt of the certificate referred to above (which certificate shall contain all required computations and reasonable explanations of the amounts required to be paid); then

- (d) the Partnership shall pay to Collateral Agent, for the account of the Intermediary Trust, such additional amount computed by Collateral Agent as will, on an after-tax basis, compensate the Intermediary Trust for such additional cost or reduction in amounts receivable which the Intermediary Trust determines to be attributable to the Partnership or the LIL Loan made to the Partnership; and
- (e) subject to the provisions of Section 15.2 with respect to losses and expenses, the Partnership may repay in full the LIL Loan together, in each case, with accrued interest thereon and the LIL Make-Whole Amount.

15.2 Reimbursement of Losses and Expenses

Whenever the Intermediary Trust shall sustain or incur any losses and expenses in connection with:

- 15.2.1 the failure of the Partnership to borrow pursuant to a LIL Draw Request once delivered (whether by reason of the Partnership's decision not to proceed, the non-fulfilment by the Partnership of any of the conditions set forth herein, the existence of a LIL Event of Default on the relevant LIL Drawdown Date or for any other reason other than default by the Intermediary Trust resulting from a default by the Funding Vehicle); or
- 15.2.2 the declaration by the Collateral Agent following the occurrence and continuance of an Enforcement Event that the LIL Loan is immediately due and payable; or
- 15.2.3 the failure of the Partnership to pay when due any principal, interest, Sinking Fund Payment, fees or other amount under this Agreement when due (whether at maturity, by reason of acceleration or otherwise).

(the events contemplated above shall be referred to individually as a "**LIL Loss Event**" and the funds repaid, not borrowed or not repaid, as the case may be, which are subject to any such LIL Loss Event shall be collectively referred to as the "**LIL Affected Funds**").

the Partnership agrees to pay to the Collateral Agent, for the account of the Intermediary Trust, upon demand, an amount certified by the Collateral Agent to be necessary to compensate the Intermediary Trust for all such losses and expenses. The certificate of the Collateral Agent shall also specify the computation and reasonable explanations of the amount to be paid.

15.3 **Environmental Indemnity**

The Credit Parties shall at all times indemnify and hold harmless the Indemnified Parties against and from any and all losses and expenses of any nature whatsoever, incurred, suffered, sustained or required to be paid by them or any one thereof, under or on account of Environmental Laws, including the assertion of any Lien thereunder (collectively, the "**Environmental Losses**"), with respect to:

15.3.1 any violation or alleged violation of Environmental Laws, or the presence of any Hazardous Material affecting any Asset of any Credit Party in violation of Environmental Laws;

15.3.2 any Clean-Up costs incurred by any Governmental Authority or any costs incurred by any other Person or damages from injury to, destruction of, or loss of natural resources, including reasonable costs of assessing such injury, destruction or loss incurred in connection with the property, operations and activities of such other Person or the property, operations and activities of the Partnership as a result of the violation of Environmental Laws by the Partnership;

15.3.3 liability for personal injury or property damage arising under any statutory or common law tort theory; and

15.3.4 any other environmental matter affecting any Asset of a Credit Party or the operations and activities of a Credit Party within the jurisdiction of any Governmental Authority.

The obligations of the Credit Parties under this Section shall arise upon the discovery of any Hazardous Material, whether or not any Governmental Authority has taken or threatened any action in connection with the presence of any Hazardous Material.

15.4 **General Indemnity**

The Credit Parties hereby indemnify and hold harmless the Indemnified Parties from and against any and all losses and expenses, joint and several or joint or several, that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or relating to any investigation, litigation or proceeding or the preparation of any defence with respect thereto arising out of or in connection with or relating to this Agreement (including, without limitation, any liability that any Indemnified Party incurs by virtue of being found, in respect of the Project, liable as a partner or joint venturer), the other LIL Project Finance Documents or the transactions contemplated hereby or thereby, or any use made or proposed to be made with the proceeds of the LIL Construction Facility, whether or not such investigation, litigation or

proceeding is brought by any Credit Party or any of their respective partners, shareholders or creditors, an Indemnified Party or any other Person, or an Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated, except to the extent such losses and expenses are found in a final judgment to have directly resulted from such Indemnified Party's gross negligence or wilful misconduct.

15.5 Claims under the Indemnities

The Indemnified Party claiming indemnification under Sections 15.3 or 15.4 shall give the Credit Parties notice in writing of particulars of any claim asserted by third parties against it which is covered by such indemnities and the Credit Parties shall, within fifteen (15) days, give notice in writing to such Indemnified Party whether they wish to dispute such claim at their sole cost and expense. The Indemnified Party shall not permit the settlement of or compromise of such claim without the written consent of one of the Credit Parties, unless the said fifteen (15) day period has expired without one of the Credit Parties having given written notice of its desire to dispute such claim. If the Indemnified Party is unable to obtain timely advice from the Credit Parties that they wish to dispute such claim as aforesaid, the Indemnified Party shall be entitled to deal with such claim in such manner as it deems appropriate. If the Credit Parties give such written notice to the Indemnified Party that they do wish to dispute such claim, the Credit Parties shall have the obligation to contest, settle, compromise or dispute such claim in the name of or on behalf of the Person against whom it is made, at their own cost and expense, and shall at their own cost and expense defend expeditiously the Person against whom such claim is made from all such actions or proceedings to which the said indemnity applies, and the Indemnified Party shall arrange that the Credit Parties shall have the right to carry on such actions or proceedings in its name; provided that, counsel retained by the Credit Parties to prosecute such defense is approved by the Indemnified Party and the Credit Parties (i) shall keep the Indemnified Party advised as to the course of the proceedings, (ii) shall not settle any claim without the prior consent of the Indemnified Party unless the settlement results in a full and final release of the Indemnified Party without cost or any risk to the reputation of the Indemnified Party and does not contain any admission of fault, and (iii) shall prosecute and dispute or conduct such negotiations in good faith and with due diligence; and provided, further that, notwithstanding any provision herein contained, the Indemnified Party shall at all times have the right to retain its own counsel, with the prior written consent of the Credit Parties and at the reasonable cost and expense of the Credit Parties, to advise it in any of the foregoing, to appear in its name and act on its behalf in any proceedings or conduct negotiations on its behalf. Subject to the foregoing, the Indemnified Party shall make available to the Credit Parties copies of all files, books, records and documents, information and data (except for such files, books, records and documents, information and data which are confidential) in the possession and control of the Person against whom the claim is made relevant to such actions or proceedings for the purposes of such defence and shall cause such Person to cooperate without expense to itself in all reasonable respect and to assist in the defence of any such actions or proceedings.

15.6 **Remedial Action**

In the event of:

15.6.1 any Release of Hazardous Materials, the threat of a Release of any Hazardous Material or the presence of any Hazardous Material affecting or relating to any Asset of any Credit Party in violation of Environmental Laws which, singly or in the aggregate, (i) would result in losses and expenses to the Credit Parties in excess of CDN\$50,000,000 or (ii) would have a Material Adverse Effect; or

15.6.2 any Credit Party failing to comply with any of the requirements of Environmental Laws, which non-compliance, singly or in the aggregate, would have a Material Adverse Effect;

the Collateral Agent after having given written notice of the intention of the GAA Finance Parties to the Credit Parties (no later than fifteen (15) Business Days before giving effect to such intention at their election, but without the obligation so to do), may give such notices and/or cause such work to be performed at such property and/or take any and all other actions as the Collateral Agent shall deem necessary or advisable in order to Clean-Up or cure non-compliance. Any amounts expended by the Collateral Agent in any of the foregoing activities shall be repayable by the Partnership upon the demand of the Collateral Agent, shall form part of the LIL Loan and interest thereon shall be computed and be payable at the same rate as that applicable to the Tranche C Loan and such amounts shall constitute part of the LIL Secured Obligations.

15.7 **Acknowledgement**

The Credit Parties acknowledge that the Collateral Agent and the GAA Finance Parties have agreed to the LIL Loan being made in reliance upon the representations, warranties and covenants in this Agreement relating to the environment. For this reason, it is the intention of the Credit Parties, the Collateral Agent and the GAA Finance Parties that the Credit Parties shall be liable for any liability or Indebtedness arising under this Article even if the amount of liability incurred exceeds the amount of the LIL Loan. The liability and Indebtedness of the Credit Parties arising under this Article shall constitute part of the LIL Secured Obligations, shall be secured by the LIL Security Documents, are absolute and unconditional and shall not be affected by any act, omission, or circumstance whatsoever, whether or not occasioned by the fault of the Collateral Agent and the GAA Finance Parties or any one thereof, except to the extent such liabilities are determined, in a final judgment, to have resulted directly from the gross negligence or wilful misconduct of the Collateral Agent and the GAA Finance Parties, their respective directors, officers, employees, advisors, representatives and agents or any one thereof. All of the representations, warranties, covenants and indemnities of this Agreement relating to the environment shall survive the repayment of the LIL Loan and shall survive the transfer of any or all right in and to the Assets of any Credit Party to any party, whether or not affiliated with them.

The obligations and the Indebtedness arising under Section 15.3 are not in any way diminished by the knowledge of any one of such beneficiaries of the non-compliance by any Credit Party with Environmental Laws; they shall survive the repayment of the LIL Loan as well as the sale or disposition of the property which is the basis of the indemnity claimed.

ARTICLE 16

SPECIAL PROVISIONS

16.1 Covenant of the Intermediary Trust

The Intermediary Trust covenants and agrees that, on demand made by the Partnership from time to time, it shall request that the Funding Vehicle claim from the Indenture Trustee any moneys set aside in connection with any redemption of any securities issued by the Funding Vehicle under Section 5.6 of the MTI six (6) years following such setting aside if the holders of such securities have not claimed such amounts and that such amounts be paid to the Intermediary Trust and the Intermediary Trust shall pay same to the Partnership upon receipt.

16.2 Actions and Decisions of the Collateral Agent and GAA Finance Parties

Whenever any reference is made in this Agreement to a decision or judgment to be made by, consent or waiver to be granted by, discretion to be exercised by, action to be taken by, request to be made by, or otherwise to the Collateral Agent, the GAA Finance Parties or any one of them, or any other Person, including the Collateral Agent's Counsel, the Independent Engineer or the Insurance Consultant, such reference shall be deemed to be a reference to such Person, acting reasonably. Moreover, and without limiting the foregoing, whenever any reference is made in this Agreement to a decision or judgment to be made by, consent or waiver to be granted by, discretion to be exercised by, action to be taken by, request to be made by, or otherwise to, the Collateral Agent, such reference shall be deemed to be to the Collateral Agent, acting in accordance with the Requisite Instructions.

16.3 Directions in Respect of the Intermediary Trust Proceeds Account

The Intermediary Trust and the Partnership acknowledge and agree that the Partnership has an interest in ensuring that the funds in the Intermediary Trust Proceeds Account are properly Invested from time to time, and that such Investments are sufficiently liquid to allow the Intermediary Trust to perform its obligations as lender hereunder, and to allow the Partnership to access the funds necessary under the LIL Construction Facility to fund Project Costs as per the terms hereof. In furtherance of the foregoing, the Intermediary Trust directs the Collateral Agent to act in accordance with the instructions of the Partnership with respect to all instructions contemplated in the IT Blocked Account Agreement as to the Investments to be made from funds held in the Intermediary Trust Proceeds Account, and the liquidation of such Investments.

ARTICLE 17**MISCELLANEOUS****17.1 Appointment of Collateral Agent as Attorney-in-Fact**

Subject to the Consolidated Transaction Documents, the IT Trustee as trustee of the Intermediary Trust hereby irrevocably appoints the Collateral Agent as the IT Trustee's and Intermediary Trust's attorney-in-fact during the term of this Agreement, with full authority in the place and stead of and in the name, the IT Trustee and the Intermediary Trust or otherwise, from time to time as required by this Agreement, to take such actions on their respective behalves as the Collateral Agent, subject to the provisions of this Agreement, may deem necessary or advisable to comply with or effect the purposes of this Agreement and the Consolidated Transaction Documents including to execute any documents which the IT Trustee could execute on behalf of the Intermediary Trust including consents and confirmations issued to the Partnership in accordance with the Project Financing Duty Requirement, to ask, demand, collect, sue for, recover, compound, receive and give acquittance and receipts or moneys due and to become due in connection with the Consolidated Transaction Documents or otherwise owed to them pursuant thereto, to receive, endorse, and collect any drafts or other instruments, documents and chattel paper in connection therewith, and to file any claims or take any action or institute any Proceedings which the Collateral Agent, subject to the provisions of this Agreement, may deem to be necessary or desirable for the collection thereof or to enforce compliance with the terms and conditions of this Agreement.

17.2 Notice

17.2.1 Any notice, document or other communication required or permitted to be given or delivered hereunder will be given by personal delivery or courier, or facsimile, or by electronic mail delivery addressed as follows:

17.2.1.1 To the Collateral Agent:**The Toronto-Dominion Bank**

TD Bank Tower

66 Wellington St. W., 9th Floor

Toronto, Ontario, Canada. M5K 1A2

Attention: Michael A. Freeman, Vice President Loan
Syndications-Agency

Fax: 416 944-6976

E-mail: michael.freeman@tdsecurities.com

17.2.1.2 To the Intermediary Trust:**LIL Construction Project Trust**

c/o BNY Trust Company of Canada, as Issuer Trustee
320 Bay Street
11th Floor
Toronto, Ontario M5H 4A6

Attention: Corporate Trust Administration

Fax: 416- 360-1711

17.2.1.3 To the Partnership:**Labrador-Island Link General Partner Corporation, as
General Partner of Labrador-Island Link Limited Partnership**

500 Columbus Drive
P.O. Box 13000, Station A
St. John's, NL A1B 0C9

Attention: Corporate Secretary

Fax: 709-737-1782

With a copy to:

Lower Churchill Management Corporation
500 Columbus Drive
P.O. Box 15150, Station A
St. John's, NL A1B 0M7

Attention: Corporate Secretary

Fax: 709-737-1782

With a copy to:

Fasken Martineau DuMoulin LLP
800 Place Victoria, Suite 3700
Montreal, Quebec H4Z 1E9

Attention: Angela C. Onesi

Fax: 514-397-7600

E-mail: aonesi@fasken.com

17.2.1.4 To Opco:**Labrador-Island Link Operating Corporation**

500 Columbus Drive
P.O. Box 15050, Station A
St. John's, NL A1B 0M5

Attention: Corporate Secretary

Fax: 709-737-1782

With a copy to:

Lower Churchill Management Corporation
500 Columbus Drive
P.O. Box 15150, Station A
St. John's, NL A1B 0M7

Attention: Corporate Secretary

Fax: 709-737-1782

With a copy to:

Fasken Martineau DuMoulin LLP
800 Place Victoria, Suite 3700
Montreal, Quebec H4Z 1E9

Attention: Angela C. Onesi

Fax: 514-397-7600

E-mail: aonesi@fasken.com

17.2.2 All notices, directions and communications will be deemed to have been duly given: at the time delivered by hand if personally delivered or delivered by courier; when sent, if sent by facsimile or e-mail even if sent after the recipient's normal business hours.

17.3 Amendments and Waivers

17.3.1 Subject to subsection 17.3.2, this Agreement may be changed from time to time by all of the parties hereto.

17.3.2 No waiver of any provision of this Agreement, nor consent to any departure by any party therefrom, shall in any event be effective unless the same shall be in writing and signed by all the parties hereto, and then said waiver or consent shall be effective only in the specific instance and for the specific purpose for which

given. No failure on the part of any party to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof.

17.4 **Provisions Regarding Liability of IT Trustee**

The IT Trustee has entered into this Agreement in its capacity as trustee of the Intermediary Trust. Any and all of the representations, warranties, undertakings, covenants, indemnities, agreements and other obligations made on the part of the IT Trustee herein and therein are made and intended not as personal representations, warranties, undertakings, covenants, indemnities, agreements and other obligations by the IT Trustee or for the purpose or with the intention of binding the IT Trustee in its personal capacity, but are made and intended for the purpose of binding only the Assets of the Intermediary Trust. No Assets of the IT Trustee (other than the Assets of the Intermediary Trust), whether owned beneficially by it in its personal capacity or otherwise, will be subject to levy, execution or other enforcement procedures with regard to any of the representations, warranties, undertakings, covenants, indemnities, agreements and other obligations of the Intermediary Trust or the IT Trustee under this Agreement or any of the documents accessory hereto. No recourse may be had or taken, directly or indirectly against the IT Trustee in its personal capacity, any beneficiary of the Intermediary Trust or any Affiliate, shareholder, officer, director, employee or agent of the IT Trustee or any predecessor or successor of the IT Trustee, with regard to the representations, warranties, undertakings, covenants, indemnities, agreements and other obligations of the Intermediary Trust or the IT Trustee under this Agreement and the documents accessory hereto.

17.5 **Successors and Assigns**

Subject to the provisions of Section 17.6, this Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and permitted assigns.

17.6 **Assignment by Intermediary Trust**

The parties hereby acknowledge that on or immediately prior to the first day of the Operating Period, in full and final payment of all its Indebtedness to the Funding Vehicle under the IT Project Finance Agreement, the Intermediary Trust shall Assign to the Funding Vehicle all Indebtedness owed to it by the Partnership under this Agreement and the other LIL Project Finance Documents and all its rights, titles and interests therein. Pursuant to such Assignment, the Funding Vehicle shall become the direct creditor of the Credit Parties under the LIL Project Finance Documents as if it were the original creditor thereunder and thereupon (i) the IT Trustee and the Intermediary Trust shall automatically be released from all their obligations under the Consolidated Transactions Documents including all indemnity obligations notwithstanding any provision of any Consolidated Transaction Document to the contrary and shall cease being parties thereto in any capacity, (ii) the Collateral Agent shall perform the Project Financing Duties on behalf only of the Funding Vehicle and Canada, and (iii) the Credit Parties agree to execute and deliver to the Funding Vehicle, at their cost and expense, such confirmations

and Registrations as the Collateral Agent may require in connection with such Assignment.

Save and except for (i) the Assignment, and (ii) any assignment pursuant to the LIL Security Documents, the Intermediary Trust hereby covenants and agrees that, and the Funding Vehicle, in furtherance of the provisions of Section 9.7 of the Collateral Agency Agreement, covenants and agrees that, following the Assignment, it shall not sell, assign, transfer or otherwise dispose of, or grant a participating interest in, any Indebtedness owed to it by any Credit Party or any Liens granted in connection therewith to any Person at any time, notwithstanding the existence of any LIL Event of Default, without having obtained the express prior written consent of the Partnership and Opco.

17.7 **No Novation**

Any security provided by the Partnership shall not constitute a payment, nor shall it operate novation of any amount due hereunder and shall not operate by way of set-off of, or merge with, any Indebtedness or liability of the Partnership or of any other Person or Persons to the Intermediary Trust under any deed, guarantee, contract, bill of exchange, promissory note, letter of credit, certificate of deposit or other instrument by which the same may now or at any time hereafter be represented or evidenced.

17.8 **Obligation to Pay Absolute**

The obligations of the Partnership to make payments on the LIL Loan as and when in this Agreement provided shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances without any right of compensation or set-off and notwithstanding any defense, right of action or claim of any nature whatsoever which the Partnership may at any time have or have had against the Collateral Agent or the Intermediary Trust, whether in connection with this Agreement or otherwise.

17.9 **Rights and Recourses Cumulative**

The rights and remedies of the Intermediary Trust and the Collateral Agent under this Agreement shall be cumulative and not exclusive of any right or remedy which the Intermediary Trust would otherwise have and no failure or delay by the Collateral Agent or the Intermediary Trust in exercising any right shall operate as a waiver thereof, nor shall any single or partial exercise of any power or right preclude its other or further exercise or the exercise of any other power or right.

17.10 **Further Assurances**

The parties hereto agree to execute and deliver such further and other documents and perform and cause to be performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part thereof.

17.11 Execution in Counterparts

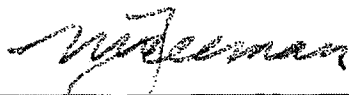
This Agreement may be executed in counterparts, each of which shall be deemed to be an original and which together shall constitute one and the same agreement.

[INTENTIONALLY LEFT BLANK]

LIL PROJECT FINANCE AGREEMENT – SIGNATURE PAGE

IN WITNESS WHEREOF the parties have executed this LIL Project Finance Agreement.

THE TORONTO-DOMINION BANK,
as Collateral Agent

By: 

Name:
Title:

By: _____
Name:
Title:

LIL PROJECT FINANCE AGREEMENT – SIGNATURE PAGE

**BNY TRUST COMPANY OF
CANADA, as trustee of LIL
CONSTRUCTION PROJECT TRUST,
as a GAA Finance Party
herein acting and represented by THE
TORONTO-DOMINION BANK, as
Collateral Agent**

By:  _____

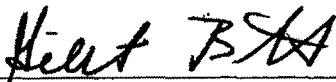
Name: *William A. Powell*
Title: *Vice President, Loan Administration - Agency*


By: _____

Name:
Title:

LIL PROJECT FINANCE AGREEMENT – SIGNATURE PAGE

**LABRADOR - ISLAND LINK
LIMITED PARTNERSHIP, by its
general partner,
LABRADOR - ISLAND LINK
GENERAL PARTNER
CORPORATION,
as an Obligor**

By: 
Name:
Title:

By: 
Name:
Title:

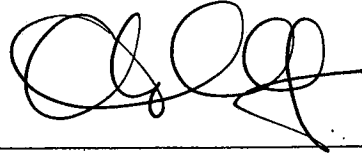
**LABRADOR - ISLAND LINK
OPERATING CORPORATION,**
as an Obligor



By: _____

Name:

Title:



By: _____

Name:

Title:

SCHEDULE "A"

LIL PAYMENT DEMAND

Date: _____

**LABRADOR - ISLAND LINK
OPERATING CORPORATION**

500 Columbus Drive
P.O. Box 15050
Stn A.
St-John's, NL A1B 0M5

Attention: Corporate Secretary
Fax No.: 709 737-1782

Gentlemen:

We refer you to the financing agreement dated as of November 29, 2013 entered into among Labrador - Island Link Limited Partnership (the "**Partnership**"), as borrower, LIL Construction Project Trust (the "**Intermediary Trust**"), as lender, Labrador - Island Link Operating Corporation ("**Opco**") and Labrador - Island Link General Partner Corporation (the "**General Partner**"), as credit parties, and The Toronto-Dominion Bank, as collateral agent (the "**Collateral Agent**") (said agreement, as same may be amended, supplemented or restated from time to time is hereinafter referred to as the "**LIL Project Finance Agreement**").

We also refer you to the master definitions agreement entered into among, *inter alia*, the Collateral Agent, BNY Trust Company of Canada, as issuer trustee of Labrador-Island Link Funding Trust, BNY Trust Company of Canada, as trustee of the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty The Queen In Right of the Province of Newfoundland and Labrador, the Partnership, as an obligor, Opco, as an obligor, the General Partner, as an obligor, and Computershare Trust Company of Canada, as security trustee (the "**MDA**").

Unless otherwise defined herein or unless there be something in the subject or the context inconsistent therewith, all capitalized terms and expressions used herein shall have the same meaning as that ascribed to them from time to time in the MDA.

In accordance with Section 5.3 of the LIL Project Finance Agreement, we hereby demand payment of the sum of CDN\$<@> (the "**Claimed Amount**") and a per diem amount of interest on such Claimed Amount until paid in full of CDN\$<@>. We hereby certify that the Claimed Amount represents CDN\$<@> of principal, \$<@> of interest and \$<@> of other amounts comprising LIL Guaranteed Obligations that are now due and payable by the Partnership to the Intermediary Trust and that the Partnership failed to pay such amounts by the time provided on the LIL Due Date.

Please pay the Claimed Amount by wire transfer as follows:

Financial Institution:

Bank number:

Transit number:

Account number:

[Account name:]

[SWIFT code]

[other particulars:]

Yours truly,

**THE TORONTO-DOMINION BANK,
as Collateral Agent**

Per: _____

Per: _____

SCHEDULE "B"

MATERIAL PROJECT DOCUMENTS AND AUTHORIZATIONS

A. LIL LP

(i) Authorizations – Obtained

Tract Name	Application No.	Type	Purpose
Permanent			
LI-MF-141994.000	141994	Grant	Converter Station (Muskrat Falls)
LI-GE-143195.000	143195	Easement	HVdc Transmission Line (Muskrat Falls - Forteau)
LI-LD-144620.000	144620	Easement	Electrode Line (Forteau to L'Anse au Diable)
LI-LD-143897.000	143897	Easement	Access Road (L'Anse au Diable)
LI-LD-143748.000	143748	Grant	Electrode Site (L'Anse au Diable)
LI-SL-144237.000	144237	Easement	Access Road (Forteau)
LI-SL-143343.000	143343	Grant	Transition Compound (Forteau)
LI-SL-143344.000	143344	Easement	Underground Cable (Forteau)
LI-SL-144619.000	144619	Easement	HDD Lines (Forteau)
LI-GE-144616.000	144616	Easement (Prov.)	Subsea Cables (Forteau - Shoal Cove)
		Easement (Fed)	Subsea Cables (Forteau - Shoal Cove)
LI-SN-144447.000	144447	Easement	HDD Lines (Shoal Cove)
LI-SN-143625.000	143625	Easement	Underground Cable (Shoal Cove)
LI-SN-143628.000	143628	Grant	Transition Compound (Shoal Cove)
LI-GE-144279.000	144279	Easement	Access Road (Shoal Cove)
LI-GE-143603.000	143603	Easement	HVdc Transmission Line (Shoal Cove - Soldiers Pond)
LI-SP-143737.000	143737	Grant	Converter Station (Soldiers Pond)
LI-SP-143736.000	143736	Easement	Access Road (Soldiers Pond)
LI-GE-144423.000	144423	Easement	Electrode Line (Soldiers Pond to Dowdens Point))
LI-DP-143738.000	143738	Grant	Electrode Site (Dowdens Point)

Water Resources Management Division, Dept. Env. & Conservation

Permit Number	Permit Name	WRMD File No.
4E-SLI-8510-0001	Alter a body of water - Culvert 2+360 - Forteau Point Access Road	ALT7185-2013
4E-SLI-8520-0008	Water Use License - Shoal Cove Drilling	WUL-13-088
4E-SLI-8500-0002	Commercial cutting/operating permit - Forteau Point	13-21-00623
4E-SLI-8500-0001	Commercial Cutting/Operating Permit - Soldiers Pond	13-01-00016
4E-SLI-8520-0007	Commercial Clearing Permit - Shoal Cove - Drill Site Preparation - 2013	13-18-00452

Access Permits

Highway Access Permit – Forteau Access Road

Land

Tract Name	Application No.	Type	Purpose
Temporary			
LI-GE-143195.000	143195	Permission to Occupy	HVdc Transmission Line (Muskrat Falls - Forteau)
LI-SL-142833.000	142833	Licence to Occupy	Transition Compound & HDD Site (Forteau)
LI-SL-142832.000	142832	Permission to Occupy	Access Road (Forteau)
LI-SL-142834.000	142834	Permission to Occupy	Electrical Distribution Line (Forteau)
LI-LD-144620.000	144620	Permission to Occupy	Electrode Line (Forteau to L'Anse au Diable)
LI-LD-143241.000	143241	Licence To Occupy	Electrode Site (L'Anse au Diable)
LI-SN-134664.000	134664	Licence To Occupy	Tower Site (Shoal Cove)
LI-CS3-135181.000	135181	Licence to Occupy	Transmission Line Test Site
LI-CS3-135182.000	135182	Licence to Occupy	Transmission Line test/study site
LI-CS3-135183.000	135183	Licence to Occupy	Transmission Line test/study site
LI-CS3-137922.000	137922	Licence to Occupy	Transmission Line test/study site
LI-SN-143018.000	143018	Licence to Occupy	Transition Compound & HDD Site (Shoal Cove)
LI-GE-143603.000	143603	Permission to Occupy	HVdc Transmission Line (Shoal Cove - Soldiers Pond)
LI-SP-143148.000	143148	Licence to Occupy	Converter Station (Soldiers Pond)
LI-GE-144423.000	144423	Permission to Occupy	Electrode Line (Soldiers Pond to Dowdens Point))
LI-DP-143363.000	143363	Licence to Occupy	Electrode Site + Laydown Area (Dowdens Point)
		Permission to Occupy	Access Road (Dowdens Point)

(ii) **Initial Material Documents – Obtained**

CONTRACT	COMPANY	SCOPE
		Engineering, Procurement and Construction Management (EPCM) Services

LIL Assets Agreement

LIL Lease

Transmission Funding Agreement

LIL Remedies Agreement

(iii) Additional Material Documents to be entered into

CONTRACT	COMPANY	SCOPE
		Supply and Install of Converters and Cable Transition Compounds
		Construction of 350 kV HVdc Transmission Line - Section 1 (MF to SOBI to Deer Lake 610 km)
		Construction of 350 kV HVdc Transmission Line - Section 2 (Central & Eastern NL 470 km)
		Construction of AC Substation and Synchronous Condensers Facilities
		Submarine Cable Design, Supply and Install

(iv) Authorizations required for Project beyond those listed in (i) above and (v) below

Water Resources Management Division, Dept. Env. & Conservation

Permit Number	Permit Name	WRMD File No.
4E-SLI-6200-0002	Blanket DOEC Permit to Alter a Body of Water - Section 1, Segments 1 and 2 - Labrador	Pending Approval
4E-SLI-6200-0003	Blanket DOEC Water Use Permit - Section 1, Segments 1 and 2 - Labrador	Pending Approval
4E-SLI-6200-0010	Blanket DOEC Permit to Alter a Body of Water - Section 1, Segment 3 and Section 2 - Newfoundland	To be prepared
4E-SLI-6200-0011	Blanket DOEC Water Use Permit - Section 1, Segment 3 and Section 2 - Newfoundland	To be prepared
4E-SLI-6200-0012	Blanket DFO Water Use Notification - Section 1, Segment 3 and Section 2 - Newfoundland	To be prepared
4E-SLI-6200-0018	Permit Application for a Development Activity in a Protected Public Water Supply Area - HVdc Overhead Line Construction - Gander/Appleton/Glenwood	To be prepared
4E-SLI-6200-0019	Permit Application for a Development Activity in a Protected Public Water Supply Area - HVdc Overhead Line Construction - Whitbourne	To be prepared
4E-SLI-6200-0020	Permit Application for a Development Activity in a Protected Public Water Supply Area - HVdc Overhead Line Construction - Hawke's Bay	To be prepared
4E-SLI-6200-0021	Permit Application for a Development Activity in a Protected Public Water Supply Area - HVdc Overhead Line Construction - Clarenville	To be prepared
4E-SLI-6200-0022	Permit Application for a Development Activity in a Protected Public Water Supply Area - HVdc Overhead Line Construction - Norman's Cove - Long Cove	To be prepared
4E-SLI-6200-0023	Permit Application for a Development Activity in a Protected Public Water Supply Area - HVdc Overhead Line Construction - Avondale	To be prepared
4E-SLI-6200-0024	Permit Application for a Development Activity in a Protected Public Water Supply Area - HVdc Overhead Line Construction - Forteau	To be prepared
4E-SLI-6200-0025	Permit Application for a Development Activity in a Protected Public Water Supply Area - HVdc Overhead Line Construction - Southern Harbour	To be prepared
4E-SLI-6200-0026	Permit Application for a Development Activity in a Protected Public Water Supply Area - HVdc Overhead Line Construction - Flower's Cove/Nameless Cove	To be prepared
4E-SLI-6200-0027	Permit Application for a Development Activity in a Protected Public Water Supply Area - HVdc Overhead	To be prepared

Permit Number	Permit Name	WRMD File No.
	Line Construction - Port Blanford	
4E-SLI-6200-0028	Permit Application for a Development Activity in a Protected Public Water Supply Area - HVdc Overhead Line Construction - Arnold's Cove	To be prepared
4E-SLI-6200-0029	Permit Application for a Development Activity in a Protected Public Water Supply Area - HVdc Overhead Line Construction - Harbour Main-Chapel's Cove-Lakeview	To be prepared

Quarry Materials Act

Permit Number	Permit Name	Service NL File No.
4E-SLI-6200-0005	Blanket Quarry Permit - Section 1, Segments 1 and 2 - Labrador	Pending
4E-SLI-6200-0013	Blanket Quarry Permit - Section 1, Segment 3 and Section 2 - Newfoundland	To be prepared

(v) Authorizations Obtained by Nalcor - Not Transferred to Muskrat

Nil.

SCHEDULE "C"

APPLICABLE LAWS

Nil.

SCHEDULE "D"
ENVIRONMENT

Nil.

SCHEDULE "E"

SOURCES AND USES OF FUNDS

On the date indicated below, and concurrently with the execution and delivery of the Underwriting Agreement, the Partnership has delivered this Schedule and the attached information and documents to the Collateral Agent pursuant to Section 10.29 of the LIL Project Finance Agreement.

Executed as of _____.

Yours truly,

**LABRADOR - ISLAND LINK
LIMITED PARTNERSHIP
by its general partner
LABRADOR - ISLAND LINK
GENERAL PARTNER
CORPORATION,
as an Obligor**

Per: _____

Per: _____

SCHEDULE "F"

LITIGATION

Conseil des Innus de Ekuanitshit - Federal Court No. T-778-12.

Brad Cabana v. NL, Nalcor, Innu Nation - Supreme Court of Newfoundland and Labrador – Appeal Division File No. 2013 01H 0063.

NunatuKavut Community Council Inc. - Supreme Court of Newfoundland and Labrador – Appeal Division - File No. 2012-01-H0101.

NunatuKavut Community Council Inc. - Federal Court of Canada File No. T-1339-13.

Nunatsiavut Government - Federal Court of Canada File No. T-1347-13.

Nunatsiavut Government – Supreme Court of Newfoundland and Labrador File No. 2013 0G1 3947.

SCHEDULE "G"**CORPORATE STRUCTURE AND LOCATION OF ASSETS****1. LABRADOR-ISLAND LINK LIMITED PARTNERSHIP****1.1. Jurisdiction of formation**

Newfoundland and Labrador, Canada

1.2. Persons holding Capital Stock

Labrador-Island Link General Partner Corporation

Labrador-Island Link Holding Corporation

ENL Island Link Incorporated

1.3. Nature of Capital Stock

- Unit Certificate No. A 01 dated July 31, 2012 registered in the name of Labrador-Island Link General Partner Corporation representing 1 GP Unit in the Capital Stock of Labrador-Island Link Limited Partnership

- Unit Certificate No. A 01 dated effective December 6, 2012 registered in the name of the Labrador-Island Link Holding Corporation representing 75 Class A Limited Units in the Capital Stock of Labrador-Island Link Limited Partnership

- Unit Certificate No. C 01 dated July 31, 2012 registered in the name of Labrador-Island Link Holding Corporation representing 1 Class C Limited Unit in the Capital Stock of Labrador-Island Link Limited Partnership

- Unit Certificate No. B 01 dated February 11, 2013 registered in the name of ENL Island Link Incorporated representing 25 Class B Limited Units in the Capital Stock of Labrador-Island Link Limited Partnership

1.4. Location of the principal place of business

Hydro Place, 500 Columbus Drive, P.O. Box 12800, St. John's, NL A1B 0C9

1.5. Location of the registered and chief executive offices

Hydro Place, 500 Columbus Drive, P.O. Box 12800, St. John's, NL A1B 0C9

1.6. Exact Name

Labrador-Island Link Limited Partnership

2. LABRADOR-ISLAND LINK GENERAL PARTNER CORPORATION**2.1. Jurisdiction of organization**

Newfoundland and Labrador, Canada

2.2. Person holding Capital Stock

Nalcor Energy

2.3. Nature of Capital Stock

Certificate No. C-001 dated July 26, 2012 registered in the name of Nalcor Energy representing 100 common shares in the Capital Stock of Labrador - Island Link General Partner Corporation

2.4. Location of the principal place of business

500 Columbus Drive, P.O. Box 13000, Stn. A, St. John's, NL, AIB 0M1

2.5. Location of the registered and chief executive offices

500 Columbus Drive, P.O. Box 13000, Stn. A, St. John's, NL, AIB 0M1

2.6. Exact Name

Labrador-Island Link General Partner Corporation

3. LABRADOR-ISLAND LINK OPERATING CORPORATION**3.1. Jurisdiction of organization**

Newfoundland and Labrador, Canada

3.2. Person holding Capital Stock

Nalcor Energy

3.3. Nature of Capital Stock

Certificate No. C-001 dated November 15, 2013 , registered in the name of Nalcor Energy representing 100 common shares in the Capital Stock of Labrador-Island Link Operating Corporation

3.4. Location of the principal place of business

500 Columbus Drive, P.O. BOX 15050, Stn. A., St. John's, NL, A1B 0M5

3.5. Location of the registered and chief executive offices

500 Columbus Drive, P.O. BOX 15050, Stn. A., St. John's, NL, A1B 0M5

3.6. Exact Name

Labrador-Island Link Operating Corporation

SCHEDULE "H"**ABORIGINAL MATTERS****A. IBA**

Innu of Labrador – Comprehensive Impact and Benefit Agreement dated November 18, 2011 among Nalcor, the Innu Nation and related Innu parties.

B. PROCEEDINGS

Conseil des Innus de Ekuanitshit - Federal Court No. T-778-12.

NunatuKavut Community Council Inc. - Supreme Court of Newfoundland and Labrador – Appeal Division - File No. 2012-01-H0101.

NunatuKavut Community Council Inc. - Federal Court of Canada File No. T-1339-13.

Nunatsiavut Government - Federal Court of Canada File No. T-1347-13.

Nunatsiavut Government – Supreme Court of Newfoundland and Labrador File No. 2013 OG1 3947.

C. CONSULTATION

Consultations with the following aboriginal groups:

Ekuanitshit
Innu Nation
Kawawachikamach
Matimekush-Lac John
Nutashkuan
Nunatsiavut
NunatuKavut
Pakua Shipi
Uashat mak Mani-Utenam
Unamen Shipu

SCHEDULE "I"**IE CERTIFICATE**

This Certificate is provided by MWH Canada, Inc. (the "**Independent Engineer**") to The Toronto-Dominion Bank, as collateral agent (the "**Collateral Agent**") in connection with the LIL Project Finance Agreement among, *inter alia*, Labrador-Island Link Limited Partnership (the "**Borrower**"), LIL Construction Project Trust (the "**Lender**") and the Collateral Agent (the "**Finance Agreement**") and Her Majesty the Queen in Right of Canada, as represented by the Minister of Natural Resources ("**Canada**"). Capitalized terms used in this Certificate and not otherwise defined herein shall have the meanings assigned to them in the Master Definitions Agreement dated as of November 29, 2013 among, *inter alia*, the Borrower, the Lender and the Collateral Agent.

The Independent Engineer has discussed matters believed pertinent to this Certificate with Devco and the Borrower.

On the basis of the foregoing limited review procedures, the Independent Engineer makes the following statement in favour of the Collateral Agent and to the best of its knowledge, information and belief, as of the date hereof:

– Budgeting and maintenance of the Project are being conducted in accordance with Good Utility Practice.

This Certificate is solely for the information and assistance of the Collateral Agent and Canada in connection with the Finance Agreement and shall not be used, circulated or relied upon for any other purpose or by any other party.

Dated: _____.

MWH CANADA, INC.

By: _____

Title: _____

SCHEDULE "J"
OPERATING REPORT

Date: _____

THE TORONTO-DOMINION BANK

as Collateral Agent
TD Bank Tower
66 Wellington Street West
9th Floor
Toronto, Ontario M5K 1A2

Gentlemen:

We refer you to the financing agreement dated as of November 29, 2013 entered into among Labrador - Island Link Limited Partnership (the "**Partnership**"), as borrower, LIL Construction Project Trust (the "**Intermediary Trust**"), as lender, Labrador – Island Link Operating Corporation ("**Opco**") and Labrador - Island Link General Partner Corporation (the "**General Partner**"), as credit parties, and The Toronto-Dominion Bank, as collateral agent (the "**Collateral Agent**") (said agreement, as same may be amended, supplemented or restated from time to time, is hereinafter referred to as the "**LIL Project Finance Agreement**").

We also refer you to the master definitions agreement entered into among, *inter alia*, the Collateral Agent, BNY Trust Company of Canada, as issuer trustee of Labrador-Island Link Funding Trust, BNY Trust Company of Canada, as trustee of the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty The Queen In Right of the Province of Newfoundland and Labrador, the Partnership, as an obligor, Opco, as an obligor, the General Partner, as an obligor and Computershare Trust Company of Canada, as the security trustee (the "**MDA**").

Unless otherwise defined herein or unless there be something in the subject or the context inconsistent therewith, all capitalized terms and expressions used herein shall have the same meaning as that ascribed to them from time to time in the MDA.

This certificate is delivered to you pursuant to subsection [11.1.3/11.2.3.] of the LIL Project Finance Agreement in respect of the fiscal quarter of Opco ending on <@> (the "**Quarter**").

I, <@>, the undersigned, <@> of Opco, in my capacity as an officer of Opco and without personal liability, do hereby certify that:

1. attached hereto as Schedule "A" is a true and accurate assessment and analysis of the Project's compliance with each material category in the Annual O&M Budget;
2. attached hereto as Schedule "B" is a true and accurate assessment of all material casualty losses incurred during the Quarter and on a year-to-date basis;

3. attached hereto as Schedule "C" is a true and accurate assessment of all replacements of material equipment not contemplated by the Annual Maintenance Plan that have taken place during the Quarter and on a year-to-date basis; and
4. attached hereto as Schedule "D" is a true and accurate assessment of all works performed during the Quarter and to date pursuant to the Annual Maintenance Plan.

Signed at <@>, this <@> day of <@>, <@>.

Name: <@>
Title: <@> of Labrador-Island Link
Operating Corporation

SCHEDULE "A"

[NOTE TO DRAFT: Please provide a numerical and narrative assessment of the Project's compliance with each material category in the Annual O&M Budget during the Quarter and on a year-to-date basis, and an analysis of any variance thereof.]

SCHEDULE "B"

[NOTE TO DRAFT: Please provide a numerical and narrative assessment of the material casualty losses incurred during the Quarter and on a year-to-date basis, if any.]

SCHEDULE "C"

[NOTE TO DRAFT: Please provide a numerical and narrative assessment of all replacements of material equipment not contemplated by the Annual Maintenance Plan that have taken place during the Quarter and on a year-to-date basis, if any.]

SCHEDULE "D"

[NOTE TO DRAFT: Please provide a numerical and narrative assessment of all works performed during the Quarter and to date pursuant to the Annual Maintenance Plan.]

SCHEDULE "K"

CONSTRUCTION REPORT

Date: _____

THE TORONTO-DOMINION BANK

AS COLLATERAL AGENT
 66 Wellington Street West
 9th Floor
 Toronto, Ontario M5K 1A2

MWH CANADA INC.

AS INDEPENDENT ENGINEER
 505 Burrard Street, suite 1500
 One Bentall Centre
 Vancouver, BC V7X 1M5

Gentlemen:

We refer you to the financing agreement dated as of November 29, 2013 entered into among Labrador - Island Link Limited Partnership (the "**Partnership**"), as borrower LIL Construction Project Trust (the "**Intermediary Trust**"), as lender, Labrador - Island Link Operating Corporation ("**Opc**") and Labrador - Island Link General Partner Corporation (the "**General Partner**"), as credit parties, and The Toronto-Dominion Bank, as collateral agent (the "**Collateral Agent**") (said agreement, as same may be amended, supplemented or restated from time to time is hereinafter referred to as the "**LIL Project Finance Agreement**").

We also refer you to the master definitions agreement entered into among, *inter alia*, the Collateral Agent, BNY Trust Company of Canada, as issuer trustee of Labrador-Island Link Funding Trust, BNY Trust Company of Canada, as trustee of the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty The Queen In Right of the Province of Newfoundland and Labrador, the Partnership, as an obligor, Opc, as an obligor, the General Partner, as an obligor, and Computershare Trust Company of Canada, as the security trustee (the "**MDA**").

Unless otherwise defined herein or unless there be something in the subject or the context inconsistent therewith, all capitalized terms and expressions used herein shall have the same meaning as that ascribed to them from time to time in the MDA.

This Construction Report is delivered to you pursuant to subsection 7.3.2 and Section 11.3 of the LIL Project Finance Agreement in respect of the month ending on <@> (the "**Applicable Month**").

I, <@>, the undersigned, <@> of <@>, in my capacity as an officer of Lower Churchill Management Corporation and without personal liability, do hereby certify that:

1. I have conducted such investigations as I have deemed necessary to provide the information set out in this report and in so doing I have verified all engineering related matters with a licensed professional engineer working on our behalf in respect of the Project;

2. attached hereto as Schedule "A" is a true and accurate table detailing the Hard Costs incurred during the Applicable Month and compared as against the original Project Budget;
3. attached hereto as Schedule "B" is a true and accurate analysis of the Cost to Complete as at the end of the Applicable Month;
4. attached hereto as Schedule "C" is a true and accurate analysis of the Cost Variances as at the end of the Applicable Month, with a narrative explanation as to any variances from the original Project Budget;
5. the estimated Commissioning Date is currently <@>; [<@>Please refer to Schedule "D" hereto for details.<@>] **[NOTE: Bracketed language to be included where the estimated Commissioning Date differs from the estimated Commissioning Date set out in the Project Schedule.]**
6. there are no material disputes with any Material Project Participant or related claims against the Partnership, other than as set out in Schedule "E" hereto;
7. attached hereto as Schedule "F" is a true and accurate report describing the progress of the construction of the Project since the previous Construction Report and compared as against the originally established milestone in the Project Schedule;
8. the Project is being built substantially in all respects in accordance with the Project Plans and Good Utility Practice;
9. subject to Sections 9.5 and 9.14 of the LIL Project Finance Agreement, I have no reason to believe that the Project is being built in violation of any Applicable Laws or Authorizations in effect at the time of performance of the relevant work;
10. subject to Sections 9.5 and 9.14 of the LIL Project Finance Agreement, all Material Project Participants and other Persons participating or working toward the Commissioning of the Project, to the best of my Knowledge, are not in material default with respect to any of their respective obligations which would delay Commissioning beyond the Date Certain and the Partnership is not in material default in the payment of any sums due to such Persons in accordance with the terms agreed upon or in the fulfilment of any of its obligations with respect to such Persons, save and except with respect to such payments or obligations which the Partnership shall be contesting diligently and in good faith and in respect of which, in the event that such contestation should prove unsuccessful, no Lien shall be created or result upon or with respect to any LIL Assets and Rights now owned or hereafter acquired by the Partnership, except for Permitted Encumbrances;
11. subject to Sections 9.5 and 9.14 of the LIL Project Finance Agreement, all Authorizations which, under Applicable Law, as at the date hereof, are necessary to have been obtained in connection with the Project and the work currently being performed on the Project, have been obtained and are in full force and effect and do not contain any condition

which could prevent or adversely affect the ability of the Partnership of attaining Commissioning by the Date Certain; and

12. attached hereto as Schedule "G" is a true and complete copy of each of the Additional Material Project Documents entered into by the Partnership since **[the previous Construction Report / the Closing Date]**.

Signed at <@>, this <@> day of <@>, <@>.

Name:
Title:

SCHEDULE "A"

[NOTE TO DRAFT: Please set out the Hard Costs incurred during the Applicable Month by major expense category and compared as against the original Project Budget.]

SCHEDULE "B"

[NOTE TO DRAFT: Please provide a detailed analysis of the Cost to Complete.]

SCHEDULE "C"

[NOTE TO DRAFT: Please provide a description of any Cost Variances detailing any variances from the Project Budget (with a narrative explanation of such variances).]

SCHEDULE "D"

[NOTE TO DRAFT: Please provide details regarding the variances from the estimated Commissioning Date set forth in Project Schedule (with a narrative explanation of such variances).]

SCHEDULE "E"

[NOTE TO DRAFT: Please describe any material disputes with any Material Project Participant or related claims against the Partnership].

SCHEDULE "F"

[NOTE TO DRAFT: Please provide a narrative report describing in reasonable detail the progress of the construction of the Project since the previous Construction Report and compared as against the originally established milestones in the Project Schedule.]

SCHEDULE "G"

[NOTE TO DRAFT: Please attach copies of the Additional Material Project Documents entered into by the Partnership since the previous Construction Report or the Closing Date, as the case may be, if any.]

SCHEDULE "L"

COMMISSIONING CERTIFICATEDate: Note 1**TO: THE TORONTO-DOMINION BANK**, as Collateral Agent**TO: MWH CANADA INC.**, as Independent Engineer

Gentlemen:

We refer you to the financing agreement dated as of November 29, 2013 entered into among Labrador - Island Link Limited Partnership (the "**Partnership**"), as borrower, LIL Construction Project Trust (the "**Intermediary Trust**"), as lender, Labrador – Island Link Operating Corporation ("**Opc**o") and Labrador - Island Link General Partner Corporation (the "**General Partner**"), as credit parties, and The Toronto-Dominion Bank, as collateral agent (the "**Collateral Agent**") (said agreement, as same may be amended, supplemented or restated from time to time is hereinafter referred to as the "**LIL Project Finance Agreement**").

We also refer you to the master definitions agreement entered into among, *inter alia*, the Collateral Agent, BNY Trust Company of Canada, as issuer trustee of Labrador-Island Link Funding Trust, BNY Trust Company of Canada, as trustee of the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty The Queen In Right of the Province of Newfoundland and Labrador, the Partnership, as an obligor, Opc, as an obligor, the General Partner, as an obligor, and Computershare Trust Company of Canada, as the security trustee (the "**MDA**").

Unless otherwise defined herein or unless there be something in the subject or the context inconsistent therewith, all capitalized terms and expressions used herein shall have the same meaning as that ascribed to them from time to time in the MDA.

This certificate is being issued to you in accordance with the provisions of subsection 7.7.1 of the LIL Project Finance Agreement.

I, <@>, the <@> of the General Partner, hereby solemnly declare and certify the matters set forth in paragraphs <@> to <@> below, in my capacity as an officer of the General Partner, and I, <@>, the <@> of Lower Churchill Management Corporation ("**Devco**"), hereby solemnly declare and certify the matters set forth in paragraphs <@> to <@> below in my capacity as an officer of Devco:

A. GENERAL STATEMENTS OF THE OFFICER

1. This certificate is delivered to you in our capacities as officer of the General Partner and officer of Devco, respectively, and without personal liability;

2. We are familiar with the Project and with all matters herein certified and have made reasonable inquiries as to such matters;
3. We have taken cognizance of the terms of the LIL Project Finance Agreement and all Material Project Documents;

B. COST VARIANCES

4. With regard to any particular construction phase or component of construction and start-up of the Project, the amount by which costs in respect of such construction phase or component exceed amounts allocated thereto in the Project Budget amounts to: CDN\$_____

C. PUNCH LIST COSTS AND DEMOBILIZATION COSTS

5. Punch List Costs amount to: CDN\$_____
6. Demobilization Costs amount to: CDN\$_____

D. COMMISSIONING MATTERS

7. The static and dynamic commissioning inspections and tests have been achieved in accordance with the approved commissioning procedures and the Projects have been constructed and mechanically completed in all material respects, in accordance with the Project Plans and Good Utility Practice, save for any Punch List Items and Demobilization List Items;
8. All Commissioning Tests, interconnection and reliability tests necessary to demonstrate that the Project meets the specifications and the operating objectives for the Project pursuant to the Project Plans and the Basis of Design have been successfully completed save for any Punch List Items and Demobilization List Items; and
9. I have no reason to believe that, assuming the proper operation and maintenance of the plant and related equipment and devices forming part of the Project, it will not be able to maintain such required specifications and operating objectives for a period of at least forty (40) years.

You will find attached all supporting documentation and information as will permit you to verify the information and calculations given and made herein.

We hereby represent and warrant that all of the information set forth herein and in all supporting documentation and information attached hereto is complete, correct and accurate in all material respects and we have no knowledge of any undisclosed fact which has or could materially affect the information set forth herein or in the supporting documentation and information attached hereto.

AND WE MAKE THIS CERTIFICATE, conscientiously believing it to be true.

IN WITNESS WHEREOF, I have signed this present Commissioning Certificate in _____,
Province of Newfoundland and Labrador, on this _____ (____th) day of
_____,_____.

<@>
<@> of Labrador-Island Link General
Partner Corporation

<@>
<@> of Lower Churchill Management
Corporation

Notes:

1. This certificate should be dated on or about, but no later than, the Date Certain.

SCHEDULE "M"

COMMISSIONING CONFIRMATION

**TO EACH OF THE PERSONS WHOSE NAME APPEARS
IN SCHEDULE "A" HERETO**

**Re: The Financing of Labrador - Island Link Limited Partnership – Conditions
Precedent to Commissioning**

We refer you to the financing agreement dated as of November 29, 2013 entered into among Labrador - Island Link Limited Partnership (the "**Partnership**"), as borrower, LIL Construction Project Trust, as lender (the "**Lender**"), Labrador – Island Link Operating Corporation ("**Opco**") and Labrador - Island Link General Partner Corporation (the "**General Partner**"), as credit parties, and The Toronto-Dominion Bank, as collateral agent (the "**Collateral Agent**") (said agreement, as same may be amended, supplemented or restated from time to time is hereinafter referred to as the "**LIL Project Finance Agreement**").

We also refer you to the master definitions agreement entered into among, *inter alia*, the Collateral Agent, BNY Trust Company of Canada, as issuer trustee of Labrador-Island Link Funding Trust, <@>, as trustee of the Lender, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty The Queen In Right of the Province of Newfoundland and Labrador, the Partnership, as an obligor, Opco, as an obligor, the General Partner, as an obligor, and Computershare Trust Company of Canada, as security trustee (the "**MDA**").

Unless otherwise defined herein or unless there be something in the subject or the context inconsistent therewith, all capitalized terms and expressions used herein shall have the same meaning as that ascribed to them from time to time in the MDA.

The Collateral Agent hereby confirms that each of the conditions precedent set forth in Section 7.7 of the LIL Project Finance Agreement has been met or waived by the Collateral Agent in accordance with the terms of the Collateral Agency Agreement and that, accordingly, the Commissioning Date shall be _____.

Yours truly,

[INTENTIONALLY LEFT BLANK]

THE TORONTO-DOMINION BANK,
as Collateral Agent

Per: _____

Per: _____

SCHEDULE "A"

ADDRESSEES

**LIL CONSTRUCTION PROJECT
TRUST**

c/o BNY Trust Company of Canada
320 Bay Street
11th Floor
Toronto, ON M5H 4A6

**LABRADOR - ISLAND LINK
LIMITED PARTNERSHIP**

c/o Labrador-Island Link General Partner
Corporation
500 Columbus Drive
P.O. Box 13000, Station A
St. John's, NL A1B 0M1

**LABRADOR - ISLAND LINK
OPERATING CORPORATION**

500 Columbus Drive
P.O. Box 15050, Station A
St. John's, NL A1B 0M5

SCHEDULE "N"

DISTRIBUTION CERTIFICATEDate: **Note 1** **The Toronto-Dominion Bank**

as Collateral Agent
 TD Bank Tower
 66 Wellington Street West
 9th Floor
 Toronto, Ontario M5K 1A2

Gentlemen:

We refer you to the financing agreement dated as of November 29, 2013 entered into among Labrador - Island Link Limited Partnership (the "**Partnership**"), as borrower, LIL Construction Project Trust (the "**Intermediary Trust**"), as lender, Labrador – Island Link Operating Corporation ("**Opc**") and Labrador - Island Link General Partner Corporation (the "**General Partner**"), as credit parties, and The Toronto-Dominion Bank, as collateral agent (the "**Collateral Agent**") (said agreement, as same may be amended, supplemented or restated from time to time is hereinafter referred to as the "**LIL Project Finance Agreement**").

We also refer you to the master definitions agreement entered into among, *inter alia*, the Collateral Agent, BNY Trust Company of Canada, as issuer trustee of Labrador-Island Link Funding Trust, BNY Trust Company of Canada, as trustee of the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty The Queen In Right of the Province of Newfoundland and Labrador, the Borrower, as an obligor, Opc, as an obligor, the General Partner, as an obligor, and Computershare Trust Company of Canada, as security trustee (the "**MDA**").

Unless otherwise defined herein or unless there be something in the subject or the context inconsistent therewith, all capitalized terms and expressions used herein shall have the same meaning as that ascribed to them from time to time in the MDA.

The Partnership wishes to make a Distribution in an amount of CDN\$_____ on _____ (the "**Distribution Date**"). This certificate is delivered to you pursuant to subsection 11.4 of the LIL Project Finance Agreement.

I, <@>, the undersigned, the <@> of the General Partner, in my capacity as an officer of the General Partner and without personal liability, do hereby certify that:

1. As at the Distribution Date, the Distribution Funds will amount to CDN\$_____, which corresponds to the sum of the following items:

(a) cash in the Partnership Project Funding Account: CDN\$ **Note 2**

(b) cash in the Partnership Distribution Reserve Account: CDN\$_____

2. each of the Distribution Conditions has been met or will be met on the Distribution Date.

Signed at <@>, this <@> day of <@>, <@>.

Name: <@>
Title: <@> of Labrador-Island Link
General Partner Corporation

Notes:

1. The Distribution Certificate must be delivered to the Collateral Agent no less than five (5) Business Days prior to the Distribution Date.
2. This amount is determined after application of all amounts in the Partnership Project Funding Account pursuant to paragraphs (a) to (i) of clause 8.1.2.2 of the LIL Project Finance Agreement.

SCHEDULE "O"
FINAL FUNDING REQUEST

Date: _____

TO: The Toronto-Dominion Bank, as Collateral Agent

TO: MWH Canada Inc., as Independent Engineer

Gentlemen:

We refer you to the financing agreement dated as of November 29, 2013 entered into among Labrador - Island Link Limited Partnership, as borrower (the "**Borrower**"), LIL Construction Project Trust (the "**Intermediary Trust**"), as lender, Labrador – Island Link Operating Corporation ("**Opco**") and Labrador - Island Link General Partner Corporation (the "**General Partner**"), as credit parties, and The Toronto-Dominion Bank, as collateral agent (the "**Collateral Agent**") (said agreement, as same may be amended, supplemented or restated from time to time is hereinafter referred to as the "**LIL Project Finance Agreement**").

We also refer you to the master definitions agreement entered into among, *inter alia*, the Collateral Agent, BNY Trust Company of Canada, as issuer trustee of Labrador-Island Link Funding Trust, BNY Trust Company of Canada, as trustee of the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty The Queen In Right of the Province of Newfoundland and Labrador, the Borrower, as an obligor, Opco, as an obligor, the General Partner, as an obligor, and Computershare Trust Company of Canada, as security trustee (the "**MDA**").

Unless otherwise defined herein or unless there be something in the subject or the context inconsistent therewith, all capitalized terms and expressions used herein shall have the same meaning as that ascribed to them from time to time in the MDA.

This Final Funding Request is delivered to you pursuant to subsection 7.4.1, 7.5.1 and 7.6.1 of the LIL Project Finance Agreement.

The financial information contained in this Funding Request is being provided as at **Note 1**, being the Effective Date of this Final Funding Request.

As at the Effective Date, the Funding Requirements are CDN\$ _____ and are to be funded as per the table below (see Schedule "A" for the calculations of the Funding Requirements):

Sources of Funds for the Funding Requirements	
Application of Aggregate Account Balances	CDN\$ _____ (see Schedule "B" for details)

Sources of Funds for the Funding Requirements	
Debt Rateable Share of the Funding Requirements	CDN\$ _____ (see Schedule "C" for details)
Equity Rateable Share of the Funding Requirements	CDN\$ _____ (see Schedule "D" for details)

We hereby represent and warrant that, as at the Effective Date:

1. a reconciliation of amounts disbursed from the Partnership Project Operating Account to amounts set forth and approved in any Funding Request provided during the previous month is provided in Schedule "E" hereto;
2. Soft Costs incurred as at **Note 2** amount to CDN\$ _____ and are described in Schedule "F" hereto; and
3. no LIL Event of Default has occurred and is continuing.

You will find attached all supporting documentation and information as will permit you to verify the statements, information and calculations contained herein. All of the information set forth herein and in all supporting documentation and information attached hereto is complete, correct and accurate in all material respects and we have no knowledge of any undisclosed fact which has or could materially affect the information set forth herein or in the supporting documentation and information attached hereto.

Yours truly,

**LABRADOR - ISLAND LINK
LIMITED PARTNERSHIP,
by its general partner,
LABRADOR - ISLAND LINK
GENERAL PARTNER
CORPORATION**

Per: _____

Notes:

1. Specify the Effective Date, which date must be the day immediately preceding the date of this Final Funding Request.
2. Insert the date corresponding to the Effective Date of the Construction Report delivered in the same month as this Final Funding Request.

SCHEDULE "A"

A. Calculation of Funding Requirements

- 1. the Final Eligible Project Costs amount to (see Section B below for details): CDN\$_____
- 2. the Minimum DSRA Requirement is CDN\$_____
- 3. the Punch List Costs amount to: CDN\$_____
- 4. the Demobilization Costs amount to: CDN\$_____
- 5. the Funding Requirements amount to: CDN\$ **Note 1**
- 6. the Final Funding Rateable Share of the funding of the Final Eligible Project Costs is: **Note 2** %
- 7. the Final Funding Rateable Share of the funding of the Minimum DSRA Requirement is: **Note 3** %
- 8. the Final Funding Rateable Share of the funding of the Punch List Costs is: **Note 4** %
- 9. the Final Funding Rateable Share of the funding of the Demobilization Costs is: **Note 5** %
- 10. the amount of the equity Investment made in the Partnership in accordance with paragraph 7.8.1.3 of the LIL Project Finance Agreement is: CDN\$ **Note 6**

B. Calculation of Final Eligible Project Costs

- 11. the aggregate amount required by the Partnership the Eligible Project Costs remaining unpaid as at the Effective Date of this Final Funding Request (excluding the Minimum DSRA Requirement, Punch List Costs and Demobilization Costs) (see Section C below for details): CDN\$_____

C. Calculation of the Project Costs

- 12. Hard Costs amount to (see Section D below for details): CDN\$_____
- 13. Soft Costs amount to (see Section E below for details): CDN\$_____

14. all other Project Costs amount to: CDN\$ Note 7
15. Project Costs amount to: CDN\$ Note 8

Notes:

1. This amount is equal to the sum of lines 1 to 4 of this Schedule, inclusively.
2. The Final Funding Rateable Share of the funding of the Final Eligible Project Costs is determined by dividing line 1 of this Schedule with line 5 of this Schedule.
3. The Final Funding Rateable Share of the funding of the Minimum DSRA Requirement is determined by dividing line 2 of this Schedule with line 5 of this Schedule.
4. The Final Rateable Share of the funding of the Punch List Costs is determined by dividing line 3 of this Schedule with line 5 of the Schedule.
5. The Final Rateable Share of the funding of the Demobilization Costs is determined by dividing line 4 of this Schedule with line 5 of this Schedule.
6. Insert the amount of the equity Investment made in the Partnership at any time during the period commencing on the day following the Effective Date of the latest Funding Request, the whole in accordance with paragraph 7.8.1.3 of the LIL Project Finance Agreement.
7. This amount includes all other costs, fees and expenses relating to the development, construction and closing of financing of the Project, including the capital costs of any structures, and all financial, legal and consulting fees, costs and expenses, including any bonus payable to any Material Project Participant under any Material Project Document and the fees, costs and expenses forming part of the Various Agent Costs and Expenses, the Canada Project Costs and Expenses, the Funding Vehicle Project Costs and Expenses and the Intermediary Trust Project Costs and Expenses, all as described in the Project Budget, whether such Project Costs are incurred by Nalcor prior to the Closing Date or by the Partnership at any time.
8. This amount is equal to the sum of lines 12 to 14 of this Schedule, inclusively.

SCHEDULE "B"**A. Calculation of Aggregate Partnership Project Funding Account and Operating Account Balances**

1. the balance on deposit in the Partnership Project Funding Account is: CDN\$ **Note 1**

2. the balance on deposit in the Partnership Project Operating Account is: CDN\$ **Note 2**

3. the Aggregate Partnership Project Funding Account and Operating Account Balances amounts to: CDN\$ **Note 3**

B. Calculation of Working Capital Reserve Account Balance

4. The balance on deposit in the Working Capital Reserve Account is: CDN\$ **Note 4**

C. Calculation of Aggregate Account Balances

5. the Aggregate Partnership Project Funding Account and Operating Account Balances is: CDN\$ **Note 5**

6. the Working Capital Reserve Account Balance is: CDN\$ **Note 6**

7. the Aggregate Account Balances amounts to: CDN\$ **Note 7**

D. Portion of the Aggregate Account Balances used to fund the Funding Requirements

8. the Funding Requirements are: CDN\$ **Note 8**

9. the portion of the Aggregate Account Balances used to fund the Funding Requirements is: CDN\$ **Note 9**

E. Application of Aggregate Account Balances to the funding of the Funding Requirements

10. the portion of the Aggregate Account Balances attributable to the funding of the Final Eligible Project Costs CDN\$ **Note 10**

11. the portion of the Aggregate Account Balances attributable to the funding of the Minimum DSRA Requirement is: CDN\$ **Note 11**

12. the portion of the Aggregate Account Balances attributable to the funding of the Punch List Costs is: CDN\$ **Note 12**
13. the portion of the Aggregate Account Balances attributable to the funding of the Demobilization Costs is: CDN\$ **Note 13**

Notes:

1. This amount is determined after the application of paragraphs 8.1.1.2 to 8.1.1.6 of the LIL Project Finance Agreement and includes any LIL Income on Account Balances deriving from any amounts deposited in the Partnership Project Funding Account.
2. This amount is determined after the application of paragraphs 8.2.2.2 and 8.2.2.3 of the LIL Project Finance Agreement and corresponds to that portion of the balance of the Partnership Project Operating Account that **(a)** is comprised of LIL Income on Account Balances deriving from any amounts deposited in the Partnership Project Operating Account pursuant to a previous Funding Request or **(b)** is comprised of the balance of any amounts deposited into the Partnership Project Operating Account pursuant to a previous Funding Request, and that had been so deposited for purposes of funding Project Costs that have since been fully satisfied for a lesser amount at the Effective Date.
3. This amount is equal to the sum of lines 1 and 2 of this Schedule.
4. This amount is determined as at the Effective Date and includes, for greater certainty, any LIL Income on Account Balances deriving therefrom.
5. Insert the amount in line 3 of this Schedule.
6. Insert the amount in line 4 of this Schedule.
7. This amount is equal to the sum of lines 5 and 6 of this Schedule.
8. Insert the amount in line 5 of Schedule "A".
9. This amount corresponds to the lesser of line 8 and line 7 of this Schedule.
10. This amount is determined by multiplying line 6 of Schedule "A" with line 9 of this Schedule.
11. This amount is determined by multiplying line 7 of Schedule "A" with line 9 of this Schedule.
12. This amount is determined by multiplying line 8 of Schedule "A" with line 9 of this Schedule.
13. This amount is determined by multiplying line 9 of Schedule "A" with line 9 of this Schedule.

SCHEDULE "C"

A. The Debt Rateable Share of the Funding Requirements

- 1. the Funding Requirements are: CDN\$ Note 1
- 2. the portion of the Aggregate Account Balances used to fund the Funding Requirements is: CDN\$ Note 2
- 3. the portion of the Funding Requirements to which the Debt Rateable Share applies is: CDN\$ Note 3
- 4. the Additional Debt proposed to be incurred to fund the Funding Requirements is: CDN\$ Note 4
- 5. the Debt Rateable Share is: Note 5 %
- 6. the Debt Rateable Share of the Funding Requirements is: CDN\$ Note 6

B. Application of the Debt Rateable Share of the Funding Requirements to the funding of the Final Eligible Project Costs, the Minimum DSRA Requirement, the Punch List Costs and the Demobilization Costs

- 7. the funding of the Final Eligible Project Costs amounts to: CDN\$ Note 7
- 8. the funding of the Minimum DSRA Requirement amounts to: CDN\$ Note 8
- 9. the funding of the Punch List Costs amounts to: CDN\$ Note 9
- 10. the funding of the Demobilization Costs amounts to: CDN\$ Note 10

C. Advance required under the LIL Construction Facility

- 11. the aggregate amount to be Advanced under the LIL Construction Facility is: CDN\$ Note 11

Notes:

- 1. Insert the amount in line 5 of Schedule "A".
- 2. Insert the amount in line 9 of Schedule "B".
- 3. This amount is determined by subtracting line 2 of this Schedule from line 1 of this Schedule.

4. Insert the amount of Additional Debt proposed to be incurred to fund the Funding Requirements.
5. (i) Where the funding of the Funding Requirements is made prior to the date on which DER first becomes equal to 75%, the Debt Rateable Share corresponds to 100%.

(ii) Where the funding of the Funding Requirements is made following the date on which DER first becomes equal to 75% but prior to the LIL Construction Facility being fully disbursed, the Debt Rateable Share corresponds to the following:

[the lesser of (i) 100% and (ii) 75% plus the difference, if any, between 75% and the DER]

unless, as a result of this calculation, the Partnership is unable fund such Debt Rateable Share of the Funding Requirements in its entirety by reason of (a) the Available LIL Construction Facility being exhausted further to the Advance requested to fund such Debt Rateable Share of the Funding Requirements and (b) the Partnership not proposing to incur Additional Debt in an amount sufficient to fund the remaining portion of the Debt Rateable Share of the Funding Requirements, in which case the Debt Rateable Share shall correspond to the following:

$$\left[\begin{array}{l} \text{the lesser of (i) 100\% and} \\ \text{(ii) 75\% plus the difference, if any,} \\ \text{between 75\% and the DER} \end{array} \right] - 100 \times \left[\frac{R * - (\text{Line 4 of this Schedule} + \text{line 11 of this Schedule})}{\text{line 3 of this Schedule}} \right]$$

$$*R = \left[\begin{array}{l} \text{the lesser of (i) 100\% and (ii) 75\% plus the} \\ \text{difference, if any, between 75\% and the DER} \end{array} \right] \times (\text{Line 3 of this Schedule})$$

6. This amount is determined by multiplying line 5 of this Schedule with line 3 of this Schedule.
7. This amount is determined by multiplying line 6 of Schedule "A" with line 6 of this Schedule.
8. This amount is determined by multiplying line 7 of Schedule "A" with line 6 of this Schedule.
9. This amount is determined by multiplying line 8 of Schedule "A" with line 6 of this Schedule.
10. This amount is determined by multiplying line 9 of Schedule "A" with line 6 of this Schedule.
11. This amount is determined by subtracting line 4 of this Schedule from line 6 of this Schedule. Where this calculation results in the aggregate amount to be Advanced under the LIL Construction Facility being greater than the Available LIL Construction Facility,

the amount to be inserted in line 11 of this Schedule shall be equal to the Available LIL Construction Facility.

SCHEDULE "D"

A. The Equity Rateable Share of the Funding Requirements

- 1. the Funding Requirements are: CDN\$ **Note 1**
- 2. the portion of the Aggregate Account Balances used to fund the Funding Requirements is: CDN\$ **Note 2**
- 3. the portion of the Funding Requirements to which the Equity Rateable Share applies is: CDN\$ **Note 3**
- 4. the Equity Rateable Share is: **Note 4** %
- 5. the Equity Rateable Share of the Funding Requirements is: CDN\$ **Note 5**

B. Application of the Equity Rateable Share of the Funding Requirements to the funding of the Final Eligible Project Costs, the Minimum DSRA Requirement, the Punch List Costs and the Demobilization Costs

- 6. the funding of the Final Eligible Project Costs under the [Base Equity Commitment / Contingency Equity Commitment] amounts to: CDN\$ **Note 6**
- 7. the funding of the Minimum DSRA Requirement under the DSRA Equity Commitment amounts to: CDN\$ **Note 7**
- 8. the funding of the Punch List Costs under the [Base Equity Commitment / Contingency Equity Commitment] amounts to: CDN\$ **Note 8**
- 9. the funding of the Demobilization Costs under the [Base Equity Commitment / Contingency Equity Commitment] amounts to: CDN\$ **Note 9**

C. Aggregate amount to be invested pursuant to the ESA

- 10. the aggregate amount to be invested in the Partnership pursuant to the ESA amounts to: CDN\$ **Note 10**

Notes:

- 1. Insert the amount in line 5 of Schedule "A".
- 2. Insert the amount in line 9 of Schedule "B".

3. This amount is determined by subtracting line 2 of this Schedule from line 1 of this Schedule.
4. The Equity Rateable Share corresponds to 100% minus line 5 of Schedule "C"
5. This amount is determined by multiplying line 4 of this Schedule with line 3 of this Schedule.
6. This amount is determined by multiplying line 6 of Schedule "A" with line 5 of this Schedule, and subtracting therefrom an amount corresponding to the result of line 6 of Schedule "A" multiplied by line 10 of Schedule "A".
7. This amount is determined by multiplying line 7 of Schedule "A" with line 5 of this Schedule, and subtracting therefrom an amount corresponding to the result of line 7 of Schedule "A" multiplied by line 10 of Schedule "A".
8. This amount is determined by multiplying line 8 of Schedule "A" with line 5 of this Schedule, and subtracting therefrom an amount corresponding to the result of line 8 of Schedule "A" multiplied by line 10 of Schedule "A".
9. This amount is determined by multiplying line 9 of Schedule "A" with line 5 of this Schedule, and subtracting therefrom an amount corresponding to the result of line 9 of Schedule "A" multiplied by line 10 of Schedule "A".
10. This amount is equal to the sum of lines 6 to 9 of this Schedule.

SCHEDULE "F"

[NOTE TO DRAFT: Please provide a reconciliation of amounts disbursed from the Partnership Project Operating Account to amounts set forth and approved in any Funding Request provided during the prior month.]

SCHEDULE "G"

[NOTE TO DRAFT: Calculations of Soft Costs to be included.]

SCHEDULE "P"

FUNDING REQUEST

Date: _____

TO: The Toronto-Dominion Bank, as Collateral Agent

TO: MWH Canada Inc., as Independent Engineer

Gentlemen:

We refer you to the financing agreement dated as of November 29, 2013 entered into among Labrador - Island Link Limited Partnership (the "**Partnership**"), as borrower, LIL Construction Project Trust (the "**Intermediary Trust**"), as lender, Labrador – Island Link Operating Corporation ("**Opc**") and Labrador - Island Link General Partner Corporation (the "**General Partner**"), as credit parties, and The Toronto-Dominion Bank, as collateral agent (the "**Collateral Agent**") (said agreement, as same may be amended, supplemented or restated from time to time is hereinafter referred to as the "**LIL Project Finance Agreement**").

We also refer you to the master definitions agreement entered into among, *inter alia*, the Collateral Agent, BNY Trust Company of Canada, as issuer trustee of Labrador-Island Link Funding Trust, BNY Trust Company of Canada, as trustee of the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty The Queen In Right of the Province of Newfoundland and Labrador, the Partnership, as an obligor, Opc, as an obligor, the General Partner, as an obligor, and Computershare Trust Company of Canada, as the security trustee (the "**MDA**").

Unless otherwise defined herein or unless there be something in the subject or the context inconsistent therewith, all capitalized terms and expressions used herein shall have the same meaning as that ascribed to them from time to time in the MDA.

This Funding Request is delivered to you pursuant to subsection 7.3.1 of the LIL Project Finance Agreement.

The financial information contained in this Funding Request is being provided as at **Note 1**, being the Effective Date of this Funding Request.

As at the Effective Date, the Funding Requirements are CDN\$_____ and are to be funded as per the table below (see Schedule "A" for the calculations of the Funding Requirements):

Sources of Funds for the Funding Requirements	
Application of Aggregate Partnership Project Funding Account and Operating Account Balances	CDN\$_____ (see Schedule "B" for details)

Debt Rateable Share of the Funding Requirements	CDN\$ _____ (see Schedule "C" for details)
Equity Rateable Share of the Funding Requirements	CDN\$ _____ (see Schedule "D" for details)

We hereby represent and warrant that, as at the Effective Date:

1. the Permitted Investments made with the funds in the LIL Project Accounts are described in Schedule "E" hereto;
2. a reconciliation of amounts disbursed from the Partnership Project Operating Account to amounts set forth and approved in any Funding Request provided during the previous month is provided in Schedule "F" hereto;
3. Soft Costs incurred as at **Note 2** amount to CDN\$ _____ and are described in Schedule "G" hereto; and
4. no LIL Event of Default has occurred and is continuing.

You will find attached all supporting documentation and information as will permit you to verify the statements, information and calculations contained herein. All of the information set forth herein and in all supporting documentation and information attached hereto is complete, correct and accurate in all material respects and we have no knowledge of any undisclosed fact which has or could materially affect the information set forth herein or in the supporting documentation and information attached hereto.

[INTENTIONALLY LEFT BLANK]

Yours truly,

**LABRADOR - ISLAND LINK
GENERAL PARTNER
CORPORATION,
as General Partner for
LABRADOR - ISLAND LINK
LIMITED PARTNERSHIP
and the Partners thereof**

Per: _____

Notes:

1. Specify the Effective Date, which date must be the day immediately preceding the date of this Funding Request
2. Insert the date corresponding to the Effective Date of the Construction Report delivered in the same month as this Funding Request.

SCHEDULE "A"

A. Calculation of Funding Requirements

- 1. the Eligible Project Costs as at the Effective Date amount to (see Section B below for details): CDN\$ _____
- 2. the deficiency in the Working Capital Reserve Account amounts to: CDN\$ **Note 1**
- 3. the amount of the equity Investment made in the Partnership in accordance with paragraph 7.8.1.3 of the LIL Project Finance Agreement is: CDN\$ **Note 2**
- 4. the Funding Requirements amount to: CDN\$ **Note 3**

B. Calculation of Eligible Project Costs

- 5. the aggregate amount required by the Partnership to defray Project Costs incurred and invoiced (or expected to be incurred and invoiced by the LIL Drawdown Date to which this Funding Request relates) is (see Section C below for details of Project Costs): CDN\$ _____

C. Calculation of the Project Costs

- 6. Hard Costs amount to: CDN\$ _____
- 7. Soft Costs amount to: CDN\$ _____
- 8. all other Project Costs amount to: CDN\$ **Note 4**
- 9. Project Costs amount to: CDN\$ **Note 5**

Notes:

- 1. This amount is determined by subtracting the amount on deposit in the Working Capital Reserve Account from the Minimum WCR Requirement (i.e. CDN\$75,000,000). Where the result of this subtraction is a negative number, insert 0. Where the conditions precedent set forth in Section 7.9 of the LIL Project Finance Agreement apply to the LIL Drawdown to which this Funding Request relates, this amount will be 0.
- 2. Insert the amount of the equity Investment made in the Partnership at any time during the period commencing on the day following the Effective Date of the previous Funding Request and ending on the Effective Date of this Funding Request, the whole in accordance with paragraph 7.8.1.3 of the LIL Project Finance Agreement.

3. This amount is equal to the sum of lines 1 to 3 of this Schedule, inclusively.
4. This amount includes all other costs, fees and expenses relating to the development, construction and closing of financing of the Project, including the capital costs of any structures, and all financial, legal and consulting fees, costs and expenses, including any bonus payable to any Material Project Participant under any Material Project Document and the fees, costs and expenses forming part of the Various Agent Costs and Expenses, the Canada Project Costs and Expenses, the Funding Vehicle Project Costs and Expenses and the Intermediary Trust Project Costs and Expenses, all as described in the Project Budget, whether such Project Costs are incurred by Nalcor prior to the Closing Date or by the Partnership at any time.
5. This amount is equal to the sum of lines 6 to 8 of this Schedule, inclusively.

SCHEDULE "B"

A. Calculation of Aggregate Partnership Project Funding Account and Operating Account Balances

- 1. the balance on deposit in the Partnership Project Funding Account is: CDN\$ **Note 1**
- 2. the balance on deposit in the Partnership Project Operating Account is: CDN\$ **Note 2**
- 3. the Aggregate Partnership Project Funding Account and Operating Account Balances is: CDN\$ **Note 3**

B. Application of the Aggregate Partnership Funding Account and Operating Account Balances to the funding of the Funding Requirements

- 4. the Funding Requirements are: CDN\$ **Note 4**
- 5. the portion of the Aggregate Partnership Project Funding Account and Operating Account Balances used to fund the Funding Requirements is: CDN\$ **Note 5**

Notes:

- 1. This amount is determined after the application of paragraphs 8.1.1.2, 8.1.1.3, 8.1.1.4, 8.1.1.5 and 8.1.1.6 of the LIL Project Finance Agreement and includes any LIL Income on Account Balances deriving therefrom.
- 2. This amount is determined after the application of paragraphs 8.2.2.2 and 8.2.2.8 of the LIL Project Finance Agreement and corresponds to that portion of the balance of the Partnership Project Operating Account that **(i)** is comprised of LIL Income on Account Balances deriving from any amounts deposited in the Partnership Project Operating Account pursuant to a previous Funding Request or **(ii)** is comprised of the balance of any amounts deposited into the Partnership Project Operating Account pursuant to a previous Funding Request, and that had been so deposited for purposes of funding Project Costs that have since been fully satisfied for a lesser amount at the Effective Date;
- 3. This amount is equal to the sum of lines 1 and 2 of this Schedule.
- 4. Insert the amount in line 4 of Schedule "A".
- 5. This amount corresponds to the lesser of line 4 and line 3 of this Schedule.

SCHEDULE "C"

A. The Debt Rateable Share of the Funding Requirements

- 1. the Funding Requirements are: CDN\$ **Note 1**
- 2. the portion of the Aggregate Partnership Project Funding Account and Operating Account Balances used to fund the Funding Requirements is: CDN\$ **Note 2**
- 3. the portion of the Funding Requirements to which the Debt Rateable Share applies is: CDN\$ **Note 3**
- 4. the Additional Debt proposed to be incurred to fund the Funding Requirements is: CDN\$ **Note 4**
- 5. the Debt Rateable Share is: **Note 5** %
- 6. the Debt Rateable Share of the Funding Requirements is: CDN\$ **Note 6**

B. Aggregate amount to be Advanced under the LIL Construction Facility

- 7. the aggregate amount to be Advanced under the LIL Construction Facility is: CDN\$ **Note 7**

Notes:

- 1. Insert the amount in line 4 of Schedule "A".
- 2. Insert the amount in line 5 of Schedule "B".
- 3. This amount is determined by subtracting line 2 of this Schedule from line 1 of this Schedule.
- 4. Insert the amount of Additional Debt proposed to be incurred to fund the Funding Requirements.
- 5. (i) Where the funding of the Funding Requirements is made prior to the date on which DER first becomes equal to 75%, the Debt Rateable Share corresponds to 100%.

(ii) Where the funding of the Funding Requirements is made following the date on which DER first becomes equal to 75% but prior to the LIL Construction Facility being fully disbursed, the Debt Rateable Share corresponds to the following:

$$\left[\begin{array}{l} \text{the lesser of (i) 100\% and (ii) 75\% plus the} \\ \text{difference, if any, between 75\% and the DER} \end{array} \right]$$

unless, as a result of this calculation, the Partnership is unable fund such Debt Rateable Share of the Funding Requirements in its entirety by reason of (a) the Available LIL Construction Facility being exhausted further to the Advance requested to fund such Debt Rateable Share of the Funding Requirements and (b) the Partnership not proposing to incur Additional Debt in an amount sufficient to fund the remaining portion of the Debt Rateable Share of the Funding Requirements, in which case the Debt Rateable Share shall correspond to the following:

$$\left[\begin{array}{l} \text{the lesser of (i) 100\% and} \\ \text{(ii) 75\% plus the difference, if any,} \\ \text{between 75\% and the DER} \end{array} \right] - 100 \times \left[\frac{R * - (\text{Line 4 of this Schedule} + \text{line 7 of this Schedule})}{\text{line 3 of this Schedule}} \right]$$

$$*R = \left[\begin{array}{l} \text{the lesser of (i) 100\% and (ii) 75\% plus the} \\ \text{difference, if any, between 75\% and the DER} \end{array} \right] \times (\text{Line 3 of this Schedule})$$

6. This amount is determined by multiplying line 5 of this Schedule with line 3 of this Schedule.
7. This amount is determined by subtracting line 4 of this Schedule from line 6 of this Schedule. Where this calculation results in the aggregate amount to be Advanced under the LIL Construction Facility being greater than the Available LIL Construction Facility, the amount to be inserted in line 7 of this Schedule shall be equal to the Available LIL Construction Facility.

SCHEDULE "D"

A. Equity Rateable Share of the Funding Requirements

- 1. the Funding Requirements are: CDN\$ **Note 1**
- 2. the portion of the Aggregate Partnership Project Funding Account and Operating Account Balances used to fund the Funding Requirements is: CDN\$ **Note 2**
- 3. the portion of the Funding Requirements to which the Equity Rateable Share applies is: CDN\$ **Note 3**
- 4. the Equity Rateable Share is: **Note 4** %
- 5. the Equity Rateable Share of the Funding Requirements is: CDN\$ **Note 5**
- 6. the amount of the equity Investment made in the Partnership in accordance with paragraph 7.8.1.3 of the LIL Project Finance Agreement is: CDN\$ **Note 6**

B. Aggregate amount to be invested pursuant to the ESA

- 7. the equity investment required to be made pursuant to the ESA is: CDN\$ **Note 7**

Notes:

- 1. Insert the amount in line 4 of Schedule "A".
- 2. Insert the amount in line 5 of Schedule "B".
- 3. This amount is determined by subtracting line 2 of this Schedule from line 1 of this Schedule.
- 4. The Equity Rateable Share corresponds to 100% minus line 5 of Schedule "C".
- 5. This amount is determined by multiplying line 4 of this Schedule with line 3 of this Schedule.
- 6. Insert the amount in line 3 of Schedule "A".
- 7. This amount is determined by subtracting line 6 of this Schedule from line 5 of this Schedule.

SCHEDULE "E"

[NOTE TO DRAFT: Please include details regarding the Permitted Investments.]

SCHEDULE "F"

[NOTE TO DRAFT: Please provide a reconciliation of amounts disbursed from the Partnership Project Operating Account to amounts set forth and approved in any Funding Request provided during the prior month.]

SCHEDULE "G"

[NOTE TO DRAFT: Calculations of Soft Costs to be included.]

SCHEDULE "Q"

INDEPENDENT ENGINEER'S CONFIRMATION

This Draw Confirmation Certificate is provided by MWH Canada, Inc. (the "**Independent Engineer**") to The Toronto-Dominion Bank, as collateral agent (the "**Collateral Agent**") in connection with the LIL Project Finance Agreement among, *inter alia*, Labrador-Island Link Limited Partnership (the "**Borrower**"), LIL Construction Project Trust (the "**Lender**") and the Collateral Agent (the "**Finance Agreement**") and Her Majesty the Queen in Right of Canada, as represented by the Minister of Natural Resources ("**Canada**"). Capitalized terms used in this Draw Confirmation Certificate and not otherwise defined herein shall have the meanings assigned to them in the Master Definitions Agreement dated as of November 29, 2013 among, *inter alia*, the Borrower, the Lender and the Collateral Agent.

The Independent Engineer has (i) discussed matters believed pertinent to this Draw Confirmation Certificate with Devco, the Borrower and any relevant Material Project Participants, (ii) made such other inquiries as we have determined appropriate and (iii) reviewed:

- (a) the Construction Report dated _____ (the "**Construction Report**"); and
- (b) the Borrower's funding request dated _____ (the "**Funding Request**").

On the basis of the foregoing limited review procedures and on the understanding and assumption that the factual information contained in the Construction Report and Funding Request is true, correct and complete in all material respects, the Independent Engineer makes the following statements in favour of the Collateral Agent and to the best of its knowledge, information and belief, as of the date hereof that:

1. Construction of the Project is progressing in a satisfactory manner and in accordance with the terms of the applicable Material Project Documents with the following exceptions:

[_____
_____]

2. We believe that all payments to the Material Project Participants to be paid with the proceeds of the LIL Construction Loan requested to be made pursuant to the Funding Request, are allowed under the payment terms of the applicable Material Project Documents and the Finance Agreement as to the advance requirements of Section 7.2/7.3/7.4/7.5/7.6, as applicable, with the following exceptions:

[_____
_____]

3. Assuming the Borrower and Devco exercise proper engineering and construction management throughout the remainder of the Project, we have no reason to believe that the Commissioning Date will not occur prior to the Date Certain, or that the total Project Costs will exceed [\$_____] with the following exceptions:

[_____
_____]

This Draw Confirmation Certificate is solely for the information and assistance of the Collateral Agent and Canada in connection with the Funding Request and shall not be used, circulated or relied upon for any other purpose or by any other party.

Dated: _____

MWH CANADA, INC.

By: _____

Title: _____

SCHEDULE "R"

LIL COMPLIANCE CERTIFICATE

Date: _____

The Toronto-Dominion Bank

as Collateral Agent
TD Bank Tower
66 Wellington Street West
9th Floor
Toronto, Ontario M5K 1A2

Gentlemen:

We refer you to the financing agreement dated as of November 29, 2013 entered into among Labrador - Island Link Limited Partnership (the "**Partnership**"), as borrower, LIL Construction Project Trust (the "**Intermediary Trust**"), as lender, Labrador – Island Link Operating Corporation ("**Opc**") and Labrador - Island Link General Partner Corporation (the "**General Partner**"), as credit parties, and The Toronto-Dominion Bank, as collateral agent (the "**Collateral Agent**") (said agreement, as same may be amended, supplemented or restated from time to time is hereinafter referred to as the "**LIL Project Finance Agreement**").

We also refer you to the master definitions agreement entered into among, *inter alia*, the Collateral Agent, BNY Trust Company of Canada, as issuer trustee of Labrador-Island Link Funding Trust, BNY Trust Company of Canada, as trustee of the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty The Queen In Right of the Province of Newfoundland and Labrador, the Borrower, as an obligor, Opc, as an obligor, the General Partner, as an obligor, and Computershare Trust Company of Canada, as security trustee (the "**MDA**").

Unless otherwise defined herein or unless there be something in the subject or the context inconsistent therewith, all capitalized terms and expressions used herein shall have the same meaning as that ascribed to them from time to time in the MDA.

This certificate is delivered to you pursuant to subsection [11.1.2 / 11.2.2] of the LIL Project Finance Agreement.

I, <@>, the <@> of the General Partner, in my capacity as an officer of the General Partner and without personal liability, do hereby certify that:

1. I have taken cognizance of the LIL Project Finance Agreement and each of the other LIL Project Finance Documents, and all of the terms, representations and warranties, covenants and conditions of the LIL Project Finance Agreement and each of the other LIL Project Finance Documents to be performed or complied with by the Credit Parties at or prior to the date thereof have been performed or complied with;

2. I have taken cognizance and reviewed the transactions, operations and status of business of the Credit Parties, since the **[last issuance of a compliance certificate under the LIL Project Finance Agreement / Closing Date]** and all conditions and requirements of the LIL Project Finance Agreement and of the other LIL Project Finance Documents and of all other deeds or agreements governing the borrowings of the Credit Parties, have been accomplished and satisfied and I do not know of the existence, as of the date hereof, of a condition or of any fact whatsoever, constituting a LIL Event of Default that is continuing. **[If such condition exists or has existed during the period covered by the certificate, then the undersigned shall, in Schedule "A" attached hereto, specify its nature and duration and describe the measures taken or intended to be taken to remedy the LIL Event of Default];**

3. to my Knowledge, except as otherwise disclosed to the Collateral Agent in writing, the representations and warranties set forth in Article 9 of the LIL Project Finance Agreement are still true and correct in all material respects as of the date of this certificate (except in the case of representations stated to be as of a specific date) with the same force and effect as if made at and as of such date;

4. The information and the Financial Statements attached hereto for the fiscal **[quarter/year]** ended <@> (the "**Quarter**" or the "**Year**") are complete and correct in all material respects and present fairly, in accordance with GAAP, the unconsolidated or consolidated, as the case may be, financial position of each Credit Party as at the end of such Quarter, subject only to normal year-end auditing adjustments, or as at the end of such Year, as the case may be;

5. As at _____, 20__, being the last day of the **[Quarter/Year]** immediately preceding the date of this certificate, the Retrospective DSCR, calculated on a rolling twelve (12) month period, was _____, and is calculated as follows¹:

- | | |
|--|--------------------------------|
| (i) the Base Cash Flow of the Partnership for the period of the most recently completed twelve (12) calendar months (line (a) - line (b)): | CDN\$ _____ |
| (a) Contracted Revenues | CDN\$ _____ |
| (b) Cash Operating Costs | CDN\$ _____ |
| (ii) the Total Debt Service for the period of the most recently completed twelve (12) calendar months: | CDN\$ <u> Note 1 </u> |

Retrospective DSCR = $\frac{(i)}{(ii)}$ = _____

¹ When calculating the Retrospective DSCR prior to the completion of twelve (12) full calendar months commencing after the Commissioning Date, the completed months that commenced after such date and ended on or prior to the date of calculation are to be taken into account and the Retrospective DSCR will be calculated on an annualized basis with such months.

6. As at _____, 20_, being the last day of the [Quarter/Year] immediately preceding the date of this certificate, the Prospective DSCR was _____, and is calculated as follows:

(i) the Base Cash Flow of the Partnership for the period of the twelve (12) calendar months immediately following the date of this certificate (line (a) – (line (b))): CDN\$ _____

(a) Contracted Revenues CDN\$ _____

(b) Cash Operating Costs CDN\$ _____

(ii) the Total Debt Service for such period: CDN\$ Note 1

Prospective DSCR = $\frac{(i)}{(ii)}$ = _____

Notes:

1. Where the period includes the maturity of any Tranche, there shall be excluded from the calculation of Total Debt Service the principal amount payable or, as the case may be, paid on such maturity date.

Signed at <@>, this <@> day of <@>, <@>.

Name:
Title: <@> of Labrador-Island Link General
Partner Corporation

SCHEDULE "A"

CONDITIONS CONSTITUTING A LIL EVENT OF DEFAULT

[NOTE TO DRAFT: Delete if not applicable.]

SCHEDULE "S"

LIL DRAW REQUESTDate: **Note 1** **The Toronto-Dominion Bank**

as Collateral Agent
TD Bank Tower
66 Wellington Street West
9th Floor
Toronto, Ontario M5K 1A2

Gentlemen:

We refer you to the financing agreement dated as of November 29, 2013 entered into among Labrador - Island Link Limited Partnership (the "**Partnership**"), as borrower, LIL Construction Project Trust (the "**Intermediary Trust**"), as lender, Labrador – Island Link Operating Corporation ("**Opc**") and Labrador - Island Link General Partner Corporation (the "**General Partner**"), as credit parties, and The Toronto-Dominion Bank, as collateral agent (the "**Collateral Agent**") (said agreement, as same may be amended, supplemented or restated from time to time is hereinafter referred to as the "**LIL Project Finance Agreement**").

We also refer you to the master definitions agreement entered into among, *inter alia*, the Collateral Agent, BNY Trust Company of Canada, as issuer trustee of Labrador-Island Link Funding Trust, BNY Trust Company of Canada, as trustee of the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty The Queen In Right of the Province of Newfoundland and Labrador, the Borrower, as an obligor, Opc, as an obligor, the General Partner, as an obligor, and Computershare Trust Company of Canada, as the security trustee (the "**MDA**").

Unless otherwise defined herein or unless there be something in the subject or the context inconsistent therewith, all capitalized terms and expressions used herein shall have the same meaning as that ascribed to them from time to time in the MDA.

Pursuant to subsection 2.5 of the LIL Project Finance Agreement, the Partnership hereby requests a Drawdown under the LIL Construction Facility in an amount of CDN\$ **Note 2** on **Note 3**.

For that purpose, we hereby represent and warrant that each and every one of the representations and warranties made under the LIL Project Finance Agreement are true and correct on the date of this LIL Draw Request, except to the extent that any such representation or warranty expressly relates to a particular date, in which case such representation or warranty is true and correct as at such date.

We further represent and warrant that no LIL Event of Default has occurred and is continuing.

Yours truly,

**LABRADOR - ISLAND LINK
LIMITED PARTNERSHIP
by its general partner
LABRADOR - ISLAND LINK
GENERAL PARTNER
CORPORATION**

Per: _____

Notes:

1. Draw Request must be delivered at least five (5) Business Days prior to the LIL Drawdown Date.
2. Insert the amount of the requested LIL Drawdown. The LIL Drawdown will be apportioned rateably amongst each of the Tranches.
3. Insert proposed LIL Drawdown Date.

SCHEDULE "T"

MINIMUM DSRA REQUIREMENT

On the date indicated below, and concurrently with the execution and delivery of the Underwriting Agreement, the Partnership has delivered this Schedule and the attached information and documents to the Collateral Agent pursuant to Section 10.29 of the LIL Project Finance Agreement.

Executed as of _____.

Yours truly,

**LABRADOR - ISLAND LINK
LIMITED PARTNERSHIP
by its general partner
LABRADOR - ISLAND LINK
GENERAL PARTNER
CORPORATION,
as an Obligor**

Per: _____

Per: _____

SCHEDULE "U"
PROJECT BUDGET

(See attached)

PART I

HARD COSTS

(See attached)

LOWER CHURCHILL PROJECT - PHASE 1
Project Budget - Hard Costs
28-Nov-13

Labrador-Island Link

Description	BUDGET
Owner, Admin and EPCM	\$ 247,074,444
Feasibility engineering	\$ 34,012,162
Environmental and regulatory compliance	\$ 25,767,534
Aboriginal Affairs	\$ 2,244,469
Procurement and Construction	\$ 2,135,211,562
Commercial and Legal	\$ 22,490,079
Contingency	\$ 79,354,854
Grand Total	\$ 2,546,155,104

PART II

SOFT COSTS

On the date indicated below, and concurrently with the execution and delivery of the Underwriting Agreement, the Partnership has delivered this Schedule and the attached information and documents to the Collateral Agent pursuant to Section 10.29 of the LIL Project Finance Agreement.

Executed as of _____.

Yours truly,

**LABRADOR - ISLAND LINK
LIMITED PARTNERSHIP
by its general partner
LABRADOR - ISLAND LINK
GENERAL PARTNER
CORPORATION,
as an Obligor**

Per: _____

Per: _____

SCHEDULE "V"
PROJECT SCHEDULE

(See attached)

Lower Churchill Project - Milestone Schedule

Labrador-Island Link - Milestone Schedule

<u>Milestone Description</u>	<u>Date</u>
Project Sanction	17-Dec-2012
SOBI Cable Systems Ready	25-Oct-2016
Muskrat Falls Switchyard and Converter Station Ready for Operation	28-Feb-2017
HVdc Transmission Line Construction Complete and Connected	30-Jun-2017
Soilder's Pond Switchyard and Converter Station Ready for Operation	04-Oct-2017
Ready for Power Transmission	04-Oct-2017
Soilder's Pond Synchronous Condenser Ready for Operation	13-Nov-2017
Commissioning Complete - Commissioning Certificate Issued	01-Jun-2018
Date Certain	28-Feb-2019

SCHEDULE "W"

LIL VOLUNTARY PREPAYMENT NOTICE

Date: _____

TO: The Toronto-Dominion Bank, as Collateral Agent

Gentlemen:

We refer you to the financing agreement dated as of November 29, 2013 entered into among Labrador - Island Link Limited Partnership (the "**Partnership**"), as borrower, LIL Construction Project Trust (the "**Intermediary Trust**"), as lender, Labrador – Island Link Operating Corporation ("**Opco**") and Labrador - Island Link General Partner Corporation (the "**General Partner**"), as credit parties, and The Toronto-Dominion Bank, as collateral agent (the "**Collateral Agent**") (said agreement, as same may be amended, supplemented or restated from time to time is hereinafter referred to as the "**LIL Project Finance Agreement**").

We also refer you to the master definitions agreement entered into among, *inter alia*, the Collateral Agent, BNY Trust Company of Canada, as issuer trustee of Labrador-Island Link Funding Trust, BNY Trust Company of Canada, as trustee of the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty The Queen In Right of the Province of Newfoundland and Labrador, the Partnership, as an obligor, Opco, as an obligor, the General Partner, as an obligor, and Computershare Trust Company of Canada, as security trustee (the "**MDA**").

Unless otherwise defined herein or unless there be something in the subject or the context inconsistent therewith, all capitalized terms and expressions used herein shall have the same meaning as that ascribed to them from time to time in the MDA.

Pursuant to the provisions of section 2.7 of the LIL Project Finance Agreement, we hereby notify you that on Note 1, we shall make a LIL Voluntary Prepayment to the [**<@>**Collateral Agent, for the account of the Intermediary Trust, at the Collateral Agent's Office**<@>**]. **[NOTE TO DRAFT: Replace bracketed language with "Funding Vehicle" where the LIL Voluntary Prepayment is made following the Assignment by the Intermediary Trust of the LIL Loan to the Funding Vehicle.]**

You will find attached hereto as Schedule "A" an example of how the amount of the LIL Voluntary Prepayment is calculated in accordance with the provisions of subsection 2.7.1 of the LIL Project Finance Agreement.¹

¹ The amount of the LIL Voluntary Prepayment must be equal to the sum of (i) the aggregate principal amount of the LIL Construction Loan; (ii) accrued and unpaid (a) interest on such principal amount, and (b) LIL Stand-By Fee, in an aggregate amount which, together, shall be equal to the aggregate amount of interest accrued on the FV Bonds which will be payable on the FV Bond Voluntary Prepayment Date; and (iii) the LIL Make-Whole Amount.

Yours truly,

**LABRADOR - ISLAND LINK
LIMITED PARTNERSHIP,
by its general partner,
LABRADOR-ISLAND LINK
GENERAL PARTNER
CORPORATION**

Per: _____

Notes:

1. Specify the date at which the prepayment is made. This prepayment notice must be made at least 35 Business Days prior to the proposed LIL Voluntary Prepayment Date.

SCHEDULE "X"

WCR RELEASE AND EQUITY FUNDING NOTICEDate: **Note 1** **The Toronto-Dominion Bank**

as Collateral Agent
TD Bank Tower
66 Wellington Street West
9th Floor
Toronto, Ontario M5K 1A2

Gentlemen:

We refer you to the financing agreement dated as of November 29, 2013 entered into among Labrador - Island Link Limited Partnership (the "**Partnership**"), as borrower, LIL Construction Project Trust (the "**Intermediary Trust**"), as lender, Labrador – Island Link Operating Corporation ("**Opc**") and Labrador - Island Link General Partner Corporation (the "**General Partner**"), as credit parties, and The Toronto-Dominion Bank, as collateral agent (the "**Collateral Agent**") (said agreement, as same may be amended, supplemented or restated from time to time is hereinafter referred to as the "**LIL Project Finance Agreement**").

We also refer you to the master definitions agreement entered into among, *inter alia*, the Collateral Agent, BNY Trust Company of Canada, as issuer trustee of Labrador-Island Link Funding Trust, BNY Trust Company of Canada, as trustee of the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty The Queen In Right of the Province of Newfoundland and Labrador, the Borrower, as an obligor, Opc, as an obligor, the General Partner, as an obligor, and Computershare Trust Company of Canada, as the security trustee (the "**MDA**").

Unless otherwise defined herein or unless there be something in the subject or the context inconsistent therewith, all capitalized terms and expressions used herein shall have the same meaning as that ascribed to them from time to time in the MDA.

Pursuant to Section 7.8 of the LIL Project Finance Agreement, we hereby request a WCR Release from the Working Capital Reserve Account for deposit into the Partnership Project Operating Account in an amount of CDN\$ **Note 2** on **Note 3** (the "**WCR Release Date**"), the whole in order to fund Eligible Project Costs in an aggregate amount of CDN\$ **Note 4** .

[<@>**NOTE TO DRAFT: The following paragraph should be included where the amount on deposit in the Working Capital Reserve Account is less than the amount of Eligible Project Costs intended to be funded.<@>**]

[<@>Please note that the amount on deposit in the Working Capital Reserve Account is insufficient to fund the entire amount of aforementioned Eligible Project Costs. As such, we

hereby notify you that an equity Investment in the Partnership in an amount of CDN\$ Note 5 will be made on or prior to the WCR Release Date.<@>]

For the purposes hereof, we hereby represent and warrant that each and every one of the representations and warranties made under the LIL Project Finance Agreement are true and correct on the date of this WCR Release and Equity Funding Notice, except to the extent that any such representation or warranty expressly relates to a particular date, in which case such representation or warranty is true and correct as at such date.

We further represent and warrant that no LIL Event of Default has occurred and is continuing.

You will find attached all supporting documentation and information as will permit you to verify the statements, information and calculations contained herein. All of the information set forth herein and in all supporting documentation and information attached hereto is complete, correct and accurate in all material respects and we have no knowledge of any undisclosed fact which has or could materially affect the information set forth herein or in the supporting documentation and information attached hereto.

Yours truly,

**LABRADOR - ISLAND LINK
LIMITED PARTNERSHIP, by its
general partner LABRADOR -
ISLAND LINK GENERAL PARTNER
CORPORATION**

Per: _____

Notes:

1. The WCR Release and Equity Funding Notice must be delivered are least one (1) Business Day prior to the WCR Release Date.
2. The amount of the WCR Release must be less or equal to the amount on deposit in the Working Capital Reserve Account.
3. Insert the proposed WCR Release Date.
4. Insert the aggregate amount of Eligible Project Costs that will be funded in whole or in part with the WCR Release.
5. This amount is determined by subtracting the amount on deposit in the Working Capital reserve Account from the amount of Eligible Project Costs (i.e. the amount in Note 4).

SCHEDULE "Y"

SINKING FUND PAYMENT

On the date indicated below, and concurrently with the execution and delivery of the Underwriting Agreement, the Partnership has delivered this Schedule and the attached information and documents to the Collateral Agent pursuant to Section 10.29 of the LIL Project Finance Agreement.

Executed as of _____.

Yours truly,

**LABRADOR - ISLAND LINK
LIMITED PARTNERSHIP
by its general partner
LABRADOR - ISLAND LINK
GENERAL PARTNER
CORPORATION,
as an Obligor**

Per: _____

Per: _____

SCHEDULE "Z"**SINKING FUND INVESTMENTS****Sinking Fund Composition Requirements**

To mitigate risk of principal loss in the BSF, hold limits will be placed on broad investment buckets, individual credits and term of the BSF investments.

The following table outlines allowed hold limits:

	Minimum Holding	Maximum Holding	Minimum Rating	Single Name Hold Limit
Canada and Canada-Guaranteed Bonds (includes MFLTA and LIL guaranteed bonds)	50%	100%	Not applicable	No Limit
AAA Provinces and AAA Corporates	0%	50%	AAA	Provinces 12.5% Corporate 5%
AA Provinces	0%	25%	AA-, Aa3, AA(low)	8.5%

The term of bonds in the BSF must not extend beyond the date on which the BSF funds are required for repayment of the relevant MFLTA or LIL bond maturity. This will ensure that the sinking fund does not take on any interest rate exposure.

BSF holdings must be denominated in Canadian dollars.

Requirements:

1. No structured products will be allowed in the sinking fund (this includes covered bonds, NHA MBS, callables, extendibles, derivatives);
2. To be considered an acceptable security for a given bucket above, the security must have ratings at or above the minimum rating indicated from two of Moodys, S&P, or DBRS;
3. If a holding, other than Canada and Canada-Guaranteed Bonds (including MFLTA and LIL guaranteed bonds), is downgraded such that it does not have two ratings that meet the minimum rating threshold (see above), the amount of the security that is beyond the maximum holdings of the bucket it qualifies for based on the downgraded rating, if any, must be sold within 90 days and any principal loss must be contributed by the Project Co

or made up in future periods by the BSF retaining interest income equal to the principal lost;

4. No interest may flow out of the BSF unless the balance of the BSF, on a mark-to-market basis, is greater than the BSF balance as indicated in the final sinking fund payment schedule at that point in time;
5. Collateral Agent is to give quarterly hold reports.

SCHEDULE "AA"

BASIS OF DESIGN

(See attached)

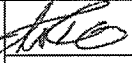
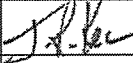
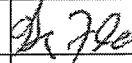
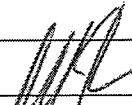
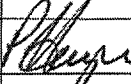
Nalcor Energy – Lower Churchill Project



Basis of Design

LCP-PT-ED-0000-EN-RP-0001-01

Comments: <p style="text-align: center;">Issued for Decision Gate 3</p>	Total # of Pages (Including Cover): 37
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Status/Revision	Date	Reason For Issue	Prepared By Engineering Manager	Checked By Deputy PM (Generation + Island Link)	Project Manager (Marine Crossings) Approval	Project Manager (Generation + Island Link) Approval	Project Director Approval
B2	04-Oct-2012	Issued for Use to Reflect Gate 3 Estimate	 R. Barnes	 J. Kean	 G. Fleming	 R. Power	 P. Harrington
B1	19-Feb-2011	Issued for Use	R. Barnes	J. Kean	G. Fleming	R. Power	P. Harrington
CONFIDENTIALITY NOTE:			This document contains intellectual property of the Nalcor Energy – Lower Churchill Project and shall not be copied, used or distributed in whole or in part without the prior written consent from the Nalcor Energy – Lower Churchill Project.				

Inter-Departmental / Discipline Approval (where required)





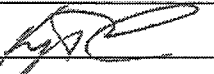
Department	Department Manager Approval	Date
Manager System Planning	 Paul Humphries	
Manager System Operations	 Robert Henderson	
Project Manager Muskrat Falls & Infrastructure	 Scott O'Brien	
Project Manager HVdc Specialties & Switchyards	 Darren DeBourke	
Project Manager Overland Transmission	 Kyle B. Tucker	

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1.0 Purpose

The purpose of this document is to establish a *Basis of Design* (BOD) for the Lower Churchill Project (LCP). This BOD will form the overarching project definition that will be used to prepare engineering design philosophies, project contract packaging, project estimates, project schedules, design briefs, detailed design specifications and drawings, construction planning, and all other project functions that depend on a clear definition of what is to be specifically financed and constructed.

Typically, this BOD is not changed or altered without major cost and schedule implications to the project as a whole and would only be considered and approved by LCP Executive Management, and then only after a clear recommendation from the Project Director.

2.0 Scope

The objectives of this document are to establish the BOD for the following

- Muskrat Falls Generation
- Labrador Transmission Asset
- Labrador – Island Transmission Link

The Maritime Link is excluded from this BOD and will be prepared under separate cover.

3.0 Definitions

Throughout this document, the following defined words are italicized.

Basis of Design

A compilation of the fundamental criteria, principles and/or assumptions upon which design philosophies and engineering design briefs will be developed.

Bulkhead Gates

Steel gates used to isolate water passages for inspection or maintenance, which are installed and removed under balanced pressures.

Cavitation Resistant Design

A design to prevent the formation of the vapour phase in a liquid flow when the hydrodynamic pressure falls below the vapour pressure of the liquid.

Change Control Board

A panel within the Project Management Team that is responsible for making the ultimate decision to approve reject or elevate a Project Change Notice. See LCP-PT-MD-0000-PM-PL-0002-01, Project Change Management Plan.

Cofferdam	A temporary barrier for excluding water from an area that could otherwise be submerged.
Construction Flood	The seasonal peak river flow that the diversion facilities are designed to pass during construction of the dam. Accepted practice is based on a 5% risk of exceedence for the duration of the operation of the diversion facilities.
Converter Station	A <i>converter station</i> consists of equipment that converts power from ac to dc (rectifier) and dc to ac (inverter).
Counterpoise	Steel wire installed along the length of the overhead line and bonded (connected) to each tower. Used to reduce resistivity between the overhead line structures and the ground for lightning protection.
Electrode	A grounded means to provide a return path for unbalanced dc current for HVdc transmission system, enabling it to operate in mono-polar mode.
Electrode Line	A transmission line connecting the <i>electrode</i> site to the <i>converter station</i> .
Fail Safe Design	A design that in the event of the failure of equipment, processes or systems, the event will produce minimum propagation beyond the immediate environment of the failing entity. In addition, the failure will be economically acceptable, and those devices in the system will perform their intended function and eliminate danger upon the loss of actuating power.
Fish Compensation Flow	Minimum flow required downstream of the dam sites during reservoir impoundment which will be required to maintain fish habitat and reduce the effects of salt water intrusion into the Churchill River.
Fish Habitat Compensation	This involves replacing the loss of fish habitat with newly created habitat or improving the productive capacity of some other natural habitat.

Flip Bucket	A formed geometrical shape at the downstream end of a spillway discharge for the purpose of throwing the water clear of the hydraulic structure and into a <i>plunge pool</i> for energy dissipation.
Francis Turbine	A mixed flow reaction turbine with fixed runner vanes that converts hydraulic energy to mechanical energy where the water flow is controlled by the setting of the adjustable <i>wicket gates</i> .
Full Supply Level	The maximum normal operating water level, corresponding to the top of the live storage, in a reservoir.
Generator	An assembly of stationary and rotating components coupled to the turbine converting mechanical energy to electrical energy.
Good Utility Practice	The practices, methods and acts engaged in, or approved by, a significant portion of the electrical utility industry in North America, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, are expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. <i>Good Utility Practice</i> is not intended to be limited to optimum practice, method or act to the exclusion of all others, but rather to include all practices, methods or acts generally accepted in North America.
Kaplan Turbine	A reaction type, axial flow, adjustable blade turbine that converts hydraulic energy to mechanical energy.
Life Cycle Cost Analysis	The process of selecting the most cost-effective approach from a series of alternatives so that the least long-term cost of ownership is achieved where life cycle costs are total costs estimated to be incurred in the design, development, production, operation, maintenance, support, and final disposition of an asset over its anticipated useful life from inception to disposal.
Low Supply Level	The minimum normal operating water level, corresponding to the bottom of the live storage, in a reservoir.

Mass Impregnated (MI)	An electrical insulation method used for power cables. The conductor is tightly wrapped with porous paper and saturated with oil, installed under pressure, to provide electrical insulation.
Mitigation	Measures implemented during the design, construction and operations phases of the project which are intended to avoid or reduce known or predicted impacts to the existing environment.
Overhead Ground Wire (OHGW)	Provides lightning protection for the power conductors. When used, direct lightning strikes are minimized, and potential disturbances due to lightning are reduced.
Optical Ground Wire (OPGW)	Performs the same function as <i>Overhead Ground Wire</i> ; however, it also carries a fibre optic communication system within the wire strands.
Penstock	A conduit that conveys water from the intake to the turbine.
Plunge Pool	A deep depression downstream of a spillway into which spilled water “plunges” to dissipate energy.
Probable Maximum Flood (PMF)	Canadian Dam Association terminology for “an estimate of hypothetical flood (peak flow, volume and hydrograph shape) that is considered to be the most severe ‘reasonably possible’ at a particular location and time of year, based on relatively comprehensive hydro meteorological analysis of critical runoff-producing precipitation (snowmelt if pertinent) and hydrologic factors favourable for maximum flood runoff”.
Proven Technology	This is the state of technology used in the design, construction and operation of any system including each piece of equipment, component or structure that has a proven record of performance. (First technology applications will only be considered after review by the LCP Technical and Design Integrity group and then only after approval by Executive Management).

Rehabilitation	Measures taken to remedy environmental damage to the environment.
Reliability Level Return Period	A statistical measurement denoting the average recurrence interval over an extended period of time. Used to estimate loads to design transmission lines.
Rotor	The multi-poled rotating component of the <i>generator</i> .
Split Yard	Switchyard divided physically into two independent sections with an electrical connection so as to limit the loss of generation in order to meet reliability criteria.
Stoplog	Steel sections used to isolate water passages for inspection or maintenance and are installed and removed under balanced pressures.
Tailrace	A watercourse that carries water away from a turbine or powerhouse.
Terrestrial Habitat Compensation	Specific mitigations that would encourage the development of riparian and wetland habitat.
Trash Boom	An anchored, floating barrier spanning the approach channel of the intake. It is used to limit floating objects from reaching the intake and blocking the <i>Trash Racks</i> .
Trash Racks	Equally spaced rectangular bars installed at the entrance to the intake to protect the turbine from impinging objects.
Waste Management	The management of waste generation in order to reduce the volume of solid waste deposited in landfills through recycling and the reuse of materials where practical.
Wicket Gates	Adjustable guide vanes used to regulate the flow of water into a turbine.

4.0 Abbreviations and Acronyms

ac	alternating current
ADSS	All Dielectric Self-Supporting
BCC	Backup Control Center
BMS	Building Management Systems
BOD	<i>Basis of Design</i>
CCTV	Closed Circuit Television
CF	Churchill Falls Generating Facility
CFRD	Concrete Faced Rockfill Dam
CPU	Central Processing Unit
CTS	Cellular Telephone System
dc	direct current
DFO	Department of Fisheries and Oceans
EPP	Environmental Protection Plan
ECC	Energy Control Centre
FSL	<i>Full Supply Level (Reservoir)</i>
GI	Gull Island Generating Facility
HADD	Harmful Alteration Damage or Disruption (Fish Habitat)
HDD	Horizontal Directional Drilling
HVac	High Voltage alternating current
HVAC	Heating, Ventilation and Air Conditioning
HVdc	High Voltage direct current
HVGB	Happy Valley – Goose Bay
kV	kilovolts
kWs	Kilo Watt Seconds
kVA	Kilo Volt Amp
LCC	Line Commutated Converter
LCP	Lower Churchill Project
LEED	Leadership in Energy and Environmental Design
LITL	Labrador – Island Transmission Link Project
LMRS	Land Mobile Radio System
LSL	<i>Low Supply Level (Reservoir)</i>

LTA	Labrador Transmission Asset Project
MF	Muskrat Falls Generating Facility
MFL	Maximum Flood Level (Reservoir)
MI	<i>Mass Impregnated</i>
MIS	Mobile Internet System
MVA	Mega Volt Ampere
MVAR	Mega Volt Ampere Reactive
MW	MegaWatt
NE	Nalcor Energy
NMS	Network Management Systems
OHGW	<i>Over-Head Ground Wire</i>
OLTC	On-load Tap Changer
OPGW	<i>Optical Ground Wire</i>
OTN	Optical Transport Network
pf	power factor
PMF	<i>Probable Maximum Flood</i>
RCC	Roller Compacted Concrete
ROW	Right of Way
SCADA	Supervisory Control and Data Acquisition
SACS	Security and Access Control System
SLD	Single Line Diagram
SOBI	Strait of Belle Isle
SONET	Synchronous Optical Network
TBD	To Be Determined
TL	Transmission Line
TLH	Trans Labrador Highway
Vac	Voltage Alternating Current
Vdc	Voltage Direct Current
VSC	Voltage Source Converter

5.0 Reference Documents and/or Associated Forms

Engineering Studies comprising the 2007/2008/2009/2010 Engineering Program

Gull Island Generating Facility

- GI1010 Gull Island 2007 Site Investigation
- GI1013 Gull Island 2008 Site Investigation
- GI1015 Inspection and Structural Analysis Goose Bay Dock
- GI1017 Update Report - Reassessment of Gull Island Diversion
- GI1020 Study of Concrete Face Rockfill Dam (CFRD) Alternative
- GI1030 Powerhouse Configuration
- GI1050 Tailrace Channel Improvements Phase 1 – Preliminary Assessment
- GI1060 Review of Structure Layouts and Interfaces
- GI1061 Review of Structure Layouts and Interfaces, 5x450 MW
- GI1070 Ice Study (Gull Island and Muskrat Falls) (by Hatch)
- GI1071 Ice Studies (Gull Island) (by SNCL)
- GI1076 Ice Observation Program (2010-2011)
- GI1090 Review of Construction Camp and Other Infrastructure
- GI1100 Review of Access Roads and Bridges
- GI1110 Hydraulic Modeling of River
- GI1130 River Operation during Construction & Impounding
- GI1140 PMF and Construction Design Flood Study
- GI1141 Upper Churchill PMF and Flood Handling Procedures Update
- GI1170 Seismicity Analysis
- GI1180 Review of Site Access, Goose Bay and Off-Site Infrastructure
- GI1190 Dam Break Study
- GI1200 Gull Island Constructability Review
- GI1230 Gull Island Site Information for Tenderers
- GI1280 Gull Island – Diversion Facilities Numerical Modeling
- GI1281 Gull Island – Power Intake and Spillway Facilities – Numerical Modeling
- GI1282 Gull Island – Diversion Facilities Physical Modeling Technical Specifications
- GI1290 Hydraulic Production Model
- GI1300 Gull Island 2008 Report Plates (drawings)
- GI1310 Workshop Report on Design and Operational Problems Resulting from Reservoir Preparation
- GI1602 Bank Stability and Fish Habitat Deltas

Muskrat Falls Generating Facility

- MF1010 Review of Variants
- MF1020 Muskrat Falls Site Investigations
- MF1050 Spillway Design Review
- MF1080 Review of Construction Camp and Other Infrastructure
- MF1090 Review of Access Roads and T&W Bridge

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- MF1091 Desktop Study – Implications/Consequences of Constructing Muskrat Falls Prior to Gull Island
 - MF1120 Potential Impact of Reservoir Flooding on the TLH
 - MF1130 River Operation during Construction and Impounding
 - MF1250 Numerical Modeling of Muskrat Falls Structures
 - MF1260 Condition Assessment of Existing Pumpwell System (2007)
 - MF1271 Condition Evaluation of Wells and Pumps in the Muskrat Falls Pumpwell System (2009)
 - MF1272 Installation of New Piezometers in the Muskrat Falls Pumpwell System
 - MF1281 Pumpwell System Telecommunication Upgrades
 - MF1300 2010 Field Investigation Program
 - MF1310 Site Access Review
 - MF1320 Power and Energy Study
 - MF1330 Report #1: Hydraulic Model of the River - 2010 Update
 - MF1330 Report #2: PMF and Construction Design Study
 - MF1330 Report #3: Dam Break Study
 - MF1330 Report #4: Ice Study
 - MF1330 Report #5: Review of Gull Island 1:60 year Construction Design Flood
 - MF1330 Report #6: Regulation Study
 - MF1340 Review and Confirmation of Structure Layout Interfaces
 - MF1360 Review of Numerical Modeling
 - MF1380 Site Information for Tenderers
 - MF1390 Review Impacts of Earlier Construction of MF on GI and Later Construction of GI on MF

HVAc Transmission Systems

- AC1020 Tower type selection, 735 kV
- AC1030 Field Investigations and Construction Requirements - 735 kV TL - GI to CF
- AC1050 Tower type selection, 230 kV
- AC1060 Field Investigations and Construction Requirements - 230 kV TL - GI to MF
- AC1080 Load Control and Failure Containment
- AC1090 Assess Cable De-icing
- AC1100 Conductor Selection
- AC1130 Corridor Selection & Construction Infrastructure - 735 kV Transmission Line - Gull Island to Quebec Border

HVdc Transmission Systems

- DC1010 Voltage and Conductor Optimization
- DC1020 HVdc System Integration Study
- DC1050 Corridor Selection & Construction Infrastructure-Gull Island to Soldiers Pond
- DC1051 Field Investigations – HVdc TL – Gull Island to Soldiers Pond
- DC1060 Corridor Selection & Construction Infrastructure-Taylor's Brook to Cape Ray
- DC1070 Preliminary Meteorological Load Review

DC1080	Tower Type Selection and Preliminary Optimization
DC1090	Site Investigation - Converter Stations Gull Island and Soldiers Pond
DC1110	Electrode Review - Gull Island and Soldiers Pond
DC1130	Submarine Cable - Strait of Belle Isle
DC1131	Submarine Cable Corridor Survey - Strait of Belle Isle
DC1132	Strait of Belle Isle - Existing Data Compilation
DC1133	Regional Multi-Beam Survey - Strait of Belle Isle
DC1140	Submarine Cable - Cabot Strait
DC1141	Submarine Cable Corridor Survey - Cabot Strait
DC1142	Cabot Strait - Existing Data Compilation
DC1180	Fixed Link Tunnel Cost, Strait of Belle Isle
DC1200	HVdc Overland Transmission Re-estimate
DC1210	HVdc System Sensitivity Analysis
DC1240	HVdc and HVac Proximity Analysis
DC1250	Electrode Review – Type and Location
DC1300	Ice Loadings on HVdc Line Crossing Long Range Mountains
DC1301	Section by Section Analysis of Extreme Rime Ice on the Long Range Mountains using WRF Modeling
DC1500	Electrode Review – Confirmation of Type and site Selection
DC1600	VSC Technology Review for LCP
DC1700	Review of Holyrood Units 1 & 2 Conversion to Synchronous Condensers

Other Documents

• LCP-PT-ED-0000-EN-PH-0032-01	Synopsis of Engineering Studies
• LCP-PT-ED-0000-EN-PL-0002-01	Reservoir Preparation Plan
• LCP-PT-ED-0000-EN-PL-0002-02	Reservoir Preparation Plan – Summaries and Map Sheets – Muskrat Falls
• LCP-PT-ED-0000-EN-PL-0002-03	Reservoir Preparation Plan – Summaries and Map Sheets – Gull Island
• LCP-HE-CD-0000-EA-RP-0001-01	Muskrat Falls – Review of Saltwater Intrusion
• LCP-HE-CD-0000-EA-RP-0007-01	Muskrat Falls – Review of Sediment Plume
• LC-EN-011	2010 Transmission Corridor LiDAR and Orthographic Data Collection Program
• LC-EN-006	Coordinate System Evaluation, Survey Engineering Services – Transmission
• MFA-PT-ED-6200-TL-DC-0001-01	Meteorological Loading 315 kV transmission lines Muskrat Falls to Churchill Falls
• ILK-PT-ED-6200-TL-DC-0001-01	Overhead Transmission – Meteorological Loading for the Labrador-Island Transmission Link
• LCP-PT-MD-0000-PM-PL-0002-01	Project Change Management Plan
• MFA-SN-CD-6140-TL-RP-0003-01	HVdc Conductor Optimization
• LCP-SN-CD-8000-EL-SY-0001-01	Reactive Power Studies

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- ILK-SN-CD-8000-EL-SY-0002-01 Harmonic Impedance Studies
 - ILK-SN-CD-8000-EL-SY-0001-01 Load Flow & Short Circuit Studies
 - ILK-SN-CD-8000-EL-SY-0003-01 HVdc System Modes of Operation & Control Strategies Study
 - ILK-SN-CD-8000-EL-SY-0004-01 Reliability and Availability Analysis
 - ILK-SN-CD-8000-EL-RP-0001-01 Stability Studies
 - ILK-SN-CD-6220-EL-SY-0001-01 Electrical Interference (ac – dc Coupling) Study
 - ILK-SN-CD-6200-EL-SY-0001-01 HVdc Transmission Line Insulation Coordination Study
 - Development of Extra High Voltage Transmission Lines in Labrador – EDM/RSW - 1999
 - Gull Island Power Development SNC-Lavalin Power Division - October 1997
 - Gull Island Hydro Electric Development – SNC-AGRA Joint Venture - December 2000
 - Gull Island to Soldiers Pond Interconnection – Teshmont Consultant Inc. - June 1998
 - Muskrat Falls Hydroelectric Development – SNC-AGRA - January 1999
 - Lower Churchill Hydroelectric Generation Project Baseline Report, Application of HADD Determination Methodology – AMEC – December 2007
 - Evaluate Extreme Ice Loads From Freezing Rain For Nalcor Energy – Kathy Jones – May 2009
 - Assessment of Rime Ice Loading on the Long Range Mountains, Landsvirkjun Power, December 2010.
 - Newfoundland and Labrador Hydro Environmental and Guiding Principles

6.0 Responsibilities

Project Director – The Project Director is responsible for approval of the BOD.

General Project Manager, Muskrat Falls & Labrador - Island Link – The General Project Manager, Generation and Labrador-Island Link is accountable to ensure that all design reflects the intentions of the BOD.

Project Manager, Marine Crossings – The Project Manager, Marine Crossings is responsible to ensure that all related project estimates and schedules respect the BOD.

Deputy Project Manager, Muskrat Falls & Labrador - Island Link - The Deputy Project Manager for the Generation and Labrador-Island Link is to ensure that all sections of the BOD are prepared as per the applicable LCP Procedures to establish and maintain the Project Change Management process and to ensure that all project estimates and schedules respect the BOD.

Project Managers – The Project Managers must ensure that all design reflects the intentions of the BOD.

Engineering Manager – The Engineering Manager is responsible to prepare the BOD. The Engineering Leads are to support this process and prepare individual sections of the BOD for coordination and final preparation by the Engineering Manager.

Environmental Manager - The Environmental Manager is to ensure that the Environmental Impact Statements and subsequent documentation related to the Environmental Assessments reflect the BOD and that the BOD reflects good environmental practices.

7.0 Descriptions

7.1 General

This BOD includes Muskrat Falls Generation, Labrador Transmission Asset and the Labrador-Island Transmission Link.

The primary reason for developing Muskrat Falls Generation, the Labrador Transmission Asset and the Labrador - Island Transmission Link is to meet increased capacity and energy requirements on the Island of Newfoundland. The electrical system on the Island of Newfoundland will experience a capacity deficit in 2015 and an energy short fall in 2021. Extensive analysis of the alternative supply options for the Island has demonstrated that Muskrat Falls and the associated transmission interconnection is the least cost technically acceptable supply alternative for the Island. Muskrat Falls and the interconnection not only provide for future load growth but also facilitate the retirement of the Holyrood Thermal Generating Station virtually eliminating the Island's dependence on fossil fuel fired generation.

All design assumptions used to establish the BOD respect the following overarching principles:

- Only proven technologies will be considered, unless it can be clearly demonstrated to the satisfaction of the Engineering Manager, Project Managers, Project Director and VP of the LCP that emerging technologies can be as reliable and provide significant cost and/or schedule savings.
- Local climatic/service conditions such as ambient temperature, elevation, humidity, sea temperature, sea currents and wind will be respected throughout the Project.
- All generating plants and transmission systems will be remotely operated and monitored from NE-NLH's Energy Control Centre.
- All designs shall assume a 50 year design life for the purposes of evaluation.
- Environmental *mitigation* and *rehabilitation* will be designed by LCP prior to issuing requests for proposals leading to construction contracts.
- The designs will assume the use of existing transportation infrastructure to the maximum extent possible. In particular, existing roads, bridges, railways and wharfs.
- *Good Utility Practice* will be observed.
- *Fail Safe Design* principles will be employed.
- Principles of *Life Cycle Cost Analysis* will be employed.
- The designs will be consistent with the NE Safety and Health Program.
- The designs will be consistent with NE Environmental Policy and Guiding Principles.
- The designs will be consistent with NE Asset Management Policy and Guiding Principles.
- The designs will be consistent with all applicable governing Standards, Codes, Acts and Regulations.
- All assets and systems will be designed to ensure safety, reliability, efficiency and minimal impact to the environment.

7.2 Muskrat Falls Generation

1100 Access - General

- Site roads to be gravel surfaced unless conditions dictate otherwise e.g. to limit dust and flying stones in areas such as accommodations complex and other site facilities.
- Permanent site access from south, along south side of river via TLH.
- Temporary site access to north side from TLH.

1200 Permanent Accommodations

- No permanent accommodations required.

1320 Construction Power

- Construction power will be supplied from the existing 138 kV transmission line between CF and HVGB by means of a temporary tap station at MF, to be located on the north side of the Churchill River. It will comprise of a 50 MVA, 138 – 25 kV transformer with an on-load tap changer (OLTC), 138 kV circuit breakers for the transformer and the line feeder to HVGB and capacitor banks to provide voltage regulation. The installation will be capable of providing 12 MW peak load and will be remotely controlled and supervised from the Nalcor ECC in St. John's.
- Construction power will be supplied to the south side of the Churchill River with a 25 kV distribution feeder that will take off from this tap station and cross the river to provide power to the construction sites and the campsite located approximately 10.5 km east of Muskrat Falls.
- A new 125 MVA, 230 – 138 kV transformer with OLTC will be installed in CF as a replacement for the two existing 42 MVA transformers without OLTC to accommodate the increase of power transfer to provide 12 MW of power at MF.
- Once the 315 kV HVac network is energized during construction, power will be supplied from the 315 – 138 kV substation transformer tertiary winding until all construction facilities are demobilized.

1420 Construction Telecommunications – Muskrat Falls

- Communications during early works of access road, camp start-up and start of site excavations will be by land mobile radio system and cellular phones.
- Communications during the main construction phase will be linked to a new high-speed fibre-optic network being constructed in Labrador and will include:
 - Data (business and personal)
 - Telephone (business and personal)
 - Video Conferencing
 - Television
 - Land Mobile Radio System (LMRS)
 - Cellular Telephone System (CTS)
 - Mobile Internet System (MIS)
 - Building Management Systems (BMS)
 - Network Management Systems (NMS)
 - Closed Circuit Television (CCTV)

- Security and Access Control System (SACS)
- Supervisory Control and Data Acquisition (SCADA) and Protection

1500 Accommodations Complex

- Staged, modular construction to accommodate up to 1,500 persons with appropriate offices, cooking, dining, sleeping, washing, medical, firefighting, entertainment, recreational, power, water, sewage, and administrative and other life support facilities within the project area.
- Main site facilities to be located on south side of river approximately 10.5 km southeast of Muskrat Falls.
- Includes substation and distribution system for construction power supplied from the 25 kV feeder and backup diesel generation at the site.
- Designed for removal following construction.

1800 Offsite Logistics, Infrastructure and Support – General

- Approximately 15 ha of marshalling yards, potentially in multiple locations. Yards to include grading, fencing, storage racks and equipment for loading/offloading.
- Upgrading and/or replacement of the Paradise River and Kenamu River bridges, or some acceptable alternate solution, on the Cartwright access road to accommodate a design load of 250 t.

2100 Reservoir

- FSL = 39 m; LSL = 38.5 m; MFL = 45.1 m without GI and 44.3 m with GI.
- Remove all trees that grow in, or extend into the area between 3 m above FSL and 3 m below LSL, except where determined otherwise by the reservoir preparation strategy.
- Trash management system to include an automated hydraulically operated trash removal system explained in detail under “3200 Intake and Penstocks – General”. Trash management also includes a series of trash booms, one located approximately 2.3 km upstream of the intake and a second located approximately 5 km downstream of the plant. Both trash booms will be designed to restrict the movement of floating trash and debris, and guide it to shoreline design and access roads to enable removal and disposal. Both trash booms are to be designed with either mid-channel or shoreline gaps to allow boat travel.
- A series of safety booms, one located approximately 1.4 km upstream of the intake and a second one located downstream of the plant. The design is to include suitable anchorage and shoreline design. The downstream boom is to have a mid-channel gap with several safety buoys.

2200 Diversion

- Through spillway structure.
- Capacity = 5, 990 m³/s based on a 1:20 year return period.
- *Fish Compensation Flow* will be approximately 550 m³/s equivalent to 30% of mean annual flow.
- *Fish Compensation Flow* will be through spillway structure.

2300 Dams & Cofferdams - General

- Development flood capacity is based on the PMF, equal to 25,060 m³/s at 45.1 m without GI and 44.3 m with GI.
- South Dam to be an earth/rockfill dam with a central core crest elevation to be El. 45.5 m.
- North Dam to be a RCC overflow dam, acting as a secondary spillway with a crest elevation of El. 39.3 m over a 430 m long overflow section. The north end of the dam will be rotated slightly downstream in order to improve the north abutment against the rock knoll and eliminate potential erosion during spilling.
- Transition dams to be conventional concrete.
- All concrete dams to be designed with necessary drainage galleries and monitoring equipment.
- All dams are to be founded directly on bedrock.
- *Cofferdams* are to be of the most economical and proven material and technology.

2400 Spillway - General

- Primary spillway structure.
- Concrete structure in rock excavation.
- Capacity = PMF in conjunction with North RCC Dam.
- Five surface vertical lift gates on parabolic rollways, 10.5 m wide with top of gate at El. 40.0 m and sill at El. 18.0 m.
- Gates with heating and hoisting mechanisms designed for severe cold climate operation.
- Structure designed to accommodate an automated, hydraulically operated trash removal system explained in detail under “3200 Intake and Penstocks – General”. The system includes a permanent hoist capable of lifting the upstream *stoplogs*.
- One set of upstream steel *stoplogs* with a permanent hoist system.
- One set of downstream steel *stoplogs* operated by a mobile crane.
- *Stoplog* storage on site.
- One emergency diesel *generator* set, complete with fuel storage system, for emergency load requirements sufficient for heating and operation of two surface gates only.

2800 North Spur - General

- The deep well system installed in 1981 is to be placed in standby mode.
- Measures are required to prevent water infiltration and to physically stabilize the upstream and downstream slopes. Pressure relief wells are to be installed in the downstream section of the North Spur to lower the groundwater pressure.
- Measures are required to prevent groundwater infiltration into the North Spur from the Kettle Lakes region.
- Piezometers are to be outfitted with data loggers to monitor the water table levels in the North Spur.

3100 Powerhouse Channels

- Approach channels excavated in bedrock with minimum rock reinforcement required.
- Draft tubes discharge directly into river in rock excavation.
- *Tailrace* channel excavated in bedrock with minimum rock reinforcement required.

3200 Intake & Penstocks - General

- Approach channel in open cut earth/rock excavation and designed to eliminate frazil ice.
- Concrete structure in rock excavation.
- Four intakes (one per unit).
- Four sets of vertical lift operating gates with individual wire rope hoists in heated enclosures.
- One set of steel bulkhead *stoplogs* able to close only one single intake passage opening (1 of 12) at any one time.
- Four sets of removable steel *trash racks*.
- An automated, hydraulically operated trash removal system capable of cleaning both the upstream side of the intake and the gated spillway. System is to include interchangeable heads that will enable cleaning of floating debris, submerged debris, debris lodged in *trash racks*, and debris in rock traps. The system will include a permanent hoist capable for removing the intake bulkhead *stoplogs*.
- No *penstocks*; four individual water passages in concrete (close-coupled intake/powerhouse).

3300 Powerhouse

- Concrete structure in rock excavation.
- Structural steel super-structure with metal cladding.
- Designed, constructed and operated in accordance with applicable requirements of the Provincial Government's Build Better Buildings policy.
- Four-unit powerhouse with two maintenance bays.
 - The south maintenance bay shall be large enough to assemble one complete turbine/*generator* unit, plus assembly and transfer of one extra *rotor*, and include provision of an unloading area. After completion of turbine/*generator* installation, the south maintenance bay will be reduced in size to accommodate permanent offices and warehousing while leaving space for the dismantling of one entire turbine/*generator* unit.
 - The north maintenance bay shall be used to stage civil works construction and shall become a space for mechanical and electrical auxiliary equipment at the completion of the Project.
- Area for offices, maintenance shops and warehouse. Offices, maintenance shops, and warehouse will occupy the south of the maintenance bay.
- All systems are to be designed using *good utility practice*.
- Two sets of steel draft tube *stoplogs* with a permanent hoist system in a heated enclosure.

3410/3420 Turbines and Generators

- Four 206 MW units, approximately, @ 0.90 pf vertical axis *Generators*.
- Inertia constant H not less than 4.1 kW/kVA.
- Four *Kaplan turbines* with *Cavitation Resistant Design*.
- Unitized approach from intake to *generator* step-up transformer.
- Failure of any equipment/system of one unit not to affect the operation of the remaining units.

3430 Electrical Ancillary Equipment

- Dual 125 Vdc battery systems with dual chargers per battery system for control and protection.
- Independent 125 Vdc battery system with dual chargers for field flashing and other dc power.
- Dual 48 Vdc battery systems with dual chargers per battery system for telecommunication system.
- A minimum of two independent sources of station service.
- Arc flash category two for all electrical panels of 600 Vac or greater.
- Dual digital protection systems.
- One standby emergency diesel *generator* for the powerhouse essential load auxiliaries, complete with fuel storage systems.

3440 Mechanical Ancillary Equipment

- Water systems, for supply of turbine and *generator* cooling water, fire protection water, domestic water and auxiliary water.
- Separate high and low pressure compressed air systems.
- Domestic waste water to septic tank and disposal field.
- HVAC systems using the *generators'* cooling systems as a source of powerhouse heating.
- Two overhead powerhouse cranes, with the capability to operate in tandem having a combined design capacity to lift a fully assembled *rotor*.
- Elevator access to all levels of powerhouse.
- Dewatering and drainage systems complete with oil interception system.
- Permanent waste hydraulic and lubricating oil storage and handling system complete with a permanent centrifuge filtration system.
- Oil water separator for drainage from *generator* transformer basins, powerhouse diesel room and tank room.
- Permanent hoist system in each turbine pit.

3450 Protection, Control & Monitoring

- Redundant protection systems for each element from two different manufacturers.
- Main and backup systems to be installed in two separate panels.
- Protection shall be stable during system transients and operate correctly during system faults.
- A distributed digital control and monitoring system.
- Dual CPU for control system functions.

3460 Generator Transformers

- Four step-up transformers (unit voltage to 315 kV), plus one spare step-up transformer, located on powerhouse draft tube deck.
- Each unit will have a *generator* circuit breaker.
- Each transformer will include drainage to a common oil water separator.
- Transformers will be separated from each other by a concrete firewall.

6160 Collector Lines – Powerhouse to Switchyard

- Four 315 kV HVac overhead transmission lines to connect the high side of the step up transformers to the switchyard.

9112 Fish Habitat Compensation

- *Fish habitat compensation* will include delta enhancements at the Pinus River and Edward's Brook and enhancements of spawning areas located in Gull Lake.

9122 Terrestrial Habitat Compensation

- *Terrestrial habitat compensation* will be based on conditions of EA release and *terrestrial habitat compensation* plans to be agreed to with applicable regulatory bodies.

9220 Operations Telecommunications System – Muskrat Falls

- Telecommunication System shall be comprised of three separate layers: Optical Transport Network (OTN), Convergence, and Access Layers.
- OTN Layer shall be the telecommunications backbone and utilize the single OPGW, All Dielectric Self Supporting (ADSS) or equivalent fibre optic infrastructure. The OTN Layer equipment nodes shall be designed based upon the least total cost of ownership alternative.
- Convergence layer shall be based on the Synchronous Optical Network (SONET) international standard. It shall be used to create logical point-to-point telecommunication links between all MF locations. It will multiplex and de-multiplex the access layer subsystems for transmission on the OTN.

- Access Layer shall be based on the Ethernet (IEEE 802.3) standard. It shall be comprised of a minimum of three separate telecommunication systems: Protection and Control, SCADA, and Administrative systems. The Administrative system may include the following subsystems: telephony, corporate data, security access control system, and video surveillance.
- The Muskrat Falls telecommunication assets specifically include the following:
 - Convergence and access layers telecommunication systems at the MF generating plant, *converter station* and switchyards.
 - NLH ECC and BCC SCADA system upgrades.
 - Network Management System to monitor, notify, and provision the OTN, convergence and access layers telecommunication systems.

7.3 Labrador Transmission Asset

4300 Muskrat Falls Switchyard

- Situated on the south side of the river on a level, fenced site.
- Concrete foundations and galvanized steel structures to support the electrical equipment and switchgear.
- Electrical layout of the switchyard is to be in accordance with the SLD. (See Drawing 3).
- Substation to interconnect the plant to the 315 kV HVac transmission lines to CF and the HVdc *Converter Station*.
- Substation includes two 125 MVA transformers, 315-138 kV with tertiary windings rated at 25 kV to supply station services for switchyard and convertor station.

6130 Muskrat Falls Switchyard to HVdc Converter Station

- Four 315 kV HVac feeders connecting the switchyard to the *converter station* as per the attached single line diagram. Two feeders connecting to the converter transformers and two feeders connecting to the filters.

6140 HVac Overland Transmission - Muskrat Falls to Churchill Falls

- Two 315 kV HVac overhead transmission lines to connect the Muskrat Falls switchyard to the Churchill Falls switchyard extension.
- Provision for Gull Island interconnection to be included through selected placement of dead end towers.
- Transmission lines are to be carried on galvanized lattice steel towers, with self-supported angles and dead ends, and guyed suspension towers.
- Transmission line power capacity is to be 900 MW for each transmission line, allowing for all load to be carried on a single circuit.
- Transmission line corridor as per Key Plan. (See Drawing 1).
- 50 year *Reliability Level Return Period* of loads, with respect to Nalcor Energy operating experience and LCP specific modeling and test programs.
- One transmission line shall have one OHGW and one OPGW and the second line shall have two OHGW.
- *Counterpoise* installed from station-to-station.

4100 Churchill Falls Switchyard Extension

- Extension of the existing 735 kV main bus with bus coupling circuit breakers.
- Two 833 MVA, 735-315 kV auto-transformers, with tertiary windings rated at 13.8 kV to supply the substation service loads.
- Accommodation of two 315 kV HVac transmission lines from MF.
- Provision for space for future 735 kV and 315 kV transmission line feeders in accordance with the SLD. (See Drawing 3).
- CF switchyard extension is to be located approximately 500 m east of the existing CF switchyard on a level, fenced site and includes developed space for future 735 kV and 315 kV line feeders.

-
- Two 735 kV transmission lines, each approximately 500 m in length, to join the existing CF switchyard to the CF switchyard extension.
 - Construction and operation not to adversely impact the existing CF operation.
 - Concrete foundations and galvanized steel structures to support the electrical equipment and switchgear.

9250 Operations Telecommunications System – Labrador Transmission

- Telecommunication System shall be comprised of three separate layers: Optical Transport Network (OTN), Convergence, and Access Layers.
- OTN Layer shall be the telecommunications backbone and utilize the OPGW, All Dielectric Self Supporting (ADSS) or equivalent fibre optic infrastructure. The OTN layer equipment nodes shall be designed based upon the least total cost of ownership alternative.
- Convergence layer shall be based on the Synchronous Optical Network (SONET) international standard. It shall be used to create logical point-to-point telecommunication links between all MF locations. It will multiplex and de-multiplex the Access Layer subsystems for transmission on the OTN.
- Access Layer shall be based on the Ethernet (IEEE 802.3) standard. It shall be comprised of a minimum of three separate telecommunication systems: Protection and Control, SCADA, and Administrative systems. The Administrative system may include the following subsystems: telephony, corporate data, security access control system, and video surveillance.
- The Labrador Transmission Link Telecommunication Assets specifically include the following:
 - One OPGW mounted on one 315 kV HVac TL connecting
 - MF 315 kV Switchyard to CF 735-315 kV Switchyard
 - TLH ADSS fibre optics connecting
 - Labrador West to CF to MF to HVGB.
 - OTN Layer optical-electronics associated with the above referenced fibre optic interconnections.
 - Convergence and Access Layer telecommunication systems associated with the above referenced OTN Layer optical-electronics, except these telecommunication layers at MF.
 - NLH ECC and BCC SCADA system upgrades and upgrades to CF SCADA system as required.

7.4 Labrador – Island Transmission Link (LITL)

Overall HVdc system consists of a 900 MW HVdc Island Link between Labrador and Newfoundland.

1330 Construction Power

The following power supply sources will be used for construction power:

- Muskrat Falls: A 25 kV tap from the construction power system for the Muskrat Falls Generating Facility (see 1320 Construction Power)
- Forteau Point: A 25 kV tap from an existing distribution system located approximately 2.5 km away.
- Shoal Cove: A 25 kV tap from an existing distribution system located approximately 700 m away.
- L'Anse Au Diable: A 14.4 kV tap from an existing distribution system located approximately 400 m away.
- Dowden's Point: A 14.4 kV tap from an existing distribution system located approximately 1.5 km away.
- Soldiers Pond: A 25 kV tap from an existing distribution system located approximately 4 km away.

1430 Construction Telecommunication Systems – Labrador-Island Link

- Provision of telecommunications services and infrastructure during the construction phase to the end of the Project along the 315 kV HVac and the ± 350 kV HVdc transmission lines and associated construction camps, including the CF Extension Switchyard construction camp.
 - Services along the transmission line rights-of-way
 - Land Mobile Radio System (LMRS)
 - Services available at the various remote campsites
 - Data (corporate and personal)
 - Telephony (corporate and personal)
 - Network Management System (NMS)
 - Closed Circuit Television (CCTV) and
 - Security and Access Control System (SACS)

8210 Labrador Converter Station

- 900 MW, ± 350 kV bi-pole, LCC *converter station* capable of operating in mono-polar mode.
- Each pole rated at 450 MW with 100% overload capacity for ten minutes and 50% overload capacity for continuous operation.
- Situated on the south side of the Churchill River on a level fenced site.
- Concrete foundations and galvanized steel structures to support the electrical equipment and switchgear.
- Mono-polar operation shall be supported by an *electrode*.

6310 Electrode Line - Labrador

- An *electrode line* carrying two conductors with the first 370 km to be supported on the HVdc lattice steel towers from Muskrat Falls to Forteau Point and the remaining section from Forteau Point to L'Anse au Diable to be supported on a wood pole line.
- 50-year *Reliability Level Return Period* of loads.
- *Electrode line* will have provision for arcing horns.

8610 Electrode Labrador

- A shoreline pond *electrode* to be located at L'Anse au Diable on the Labrador side of the SOBI.
- Nominal rating of 450 MW with 100% overload capacity for ten minutes and 50% overload capacity for continuous operation.

6220 Labrador – Island Overland HVdc Transmission

- An HVdc overhead transmission line, ± 350 kV bi-pole, to connect the Muskrat Falls *Converter Station* to the Labrador Transition Compound at the Strait of Belle Isle and then to connect the Northern Peninsula Transition Compound at the Strait of Belle Isle to the Soldiers Pond *Converter Station*.
- Transmission line to carry both poles (single conductor per pole) and one OPGW. The Labrador section is to carry two *electrode* conductors from the Muskrat Falls *Converter Station* to Forteau Point (see 6310 Electrode Line – Labrador).
- Transmission line corridor as per Key Plan. (See Drawings).
- The HVdc transmission line is to have a designed nominal power capacity of 900 MW; however, given the mono-polar operation criteria, each pole is to have a nominal rating of 450 MW with 100% overload capacity for ten minutes and 50% overload capacity for continuous operation.
- *Counterpoise* installed from station-to-station.
- Towers are to be galvanized lattice steel, with self-supported angles and dead ends, and guyed suspension towers.
- 50 year *Reliability Level Return Period* of loads, with respect to Nalcor Energy operating experience and LCP specific modeling and test programs.

8510 Transition Compound - Labrador

- Situated on a level fenced site at Forteau Point.
- Enclosed building and provision for submarine cable termination system and associated switching requirements.
- Concrete pads and steel structures to support the electrical equipment and switchgear.
- Overhead line to cable transition equipment.
- High-speed switching, control, protection, monitoring and communication equipment.

8110 Marine Crossing – SOBI - General

- 350 kV, 900 MW submarine cable system to transmit power across the SOBI in bi-polar mode for 50-year design life, with capabilities to allow configuration in mono-polar mode.
- Each cable to have a nominal rating of 1286 A (one pu per pole) and a transient rating of 2572 A (two pu per pole) for five minutes in mono-pole mode.
- Consists of three *mass impregnated* submarine cables and associated components, inclusive of one spare submarine cable.
- Land cables shall connect submarine cables to cable termination system within the transition compound.
- The route for the submarine cable(s) crossing shall be designed to meet the transmission, protection, reliability, and design life requirements, and give consideration to technical and economic optimization.
- Cable corridor as per Key Plan. (See Drawing 1).
- Cables shall be adequately protected along the entire length of the crossing as required. Cable protection methodology will employ proven technologies only, and may include rock placement, trenching, horizontal directional drilling (HDD) and concrete mattresses.
- Where discrete protection application is required, protection measures shall be designed to meet the transmission and reliability requirements.

8520 Transition Compound – Northern Peninsula

- Situated on a level fenced site at Shoal Cove.
- Enclosed building and provision for submarine cable termination system and associated switching requirements.
- Concrete pads and steel structures to support the electrical equipment and switchgear.
- Cable to overhead line transition equipment.
- High-speed switching, control, protection, monitoring and communication equipment.

8220 Soldiers Pond Converter Station

- 900 MW, ± 350 kV bi-pole, LCC *converter station* capable of operating in mono-polar mode.
- Each pole rated at 450 MW with 100% overload protection for ten minutes and 50% overload protection for continuous operation.
- Situated next to the Soldiers Pond switchyard on the Avalon Peninsula on a level fenced site.
- Concrete foundations and galvanized steel structures to support the electrical equipment and switchgear.
- Mono-polar operation shall be supported by an *electrode*.

6320 Electrode Line – Newfoundland East

- An *electrode line* carrying two conductors generally follows the existing transmission ROW from Soldiers Pond to Conception Bay.
- Wood pole construction.
- 50-year *Reliability Level Return Period* of loads.
- *Electrode line* will have provision for arcing horns.

8620 Electrode Newfoundland East

- A shoreline pond *electrode* to be located at Dowden's Point on the east side of Conception Bay.
- Nominal rating of 450 MW with 100% overload protection for ten minutes and 50% overload protection for continuous operation.

4500 Soldiers Pond Switchyard

- Situated on the north-east side of Soldiers Pond on a level, fenced site.
- Concrete foundations and galvanized steel structures to support the electrical equipment and switchgear.
- Electrical layout of the switchyard is to be in accordance with the proposed SLD. (See Drawing 2).
- Switchyard to interconnect eight 230 kV HVac transmission lines (four existing transmission lines looped in), the synchronous condensers and the Soldiers Pond *Converter Station*.

7100 Island System Upgrades East

- Three 175 MVAR high-inertia synchronous condensers at Soldiers Pond.
- 230 kV and 138 kV circuit breaker replacements.
- Replacement of conductors, 230 kV transmission line – Bay d'Espoir to Sunnyside.
- Looping in-out of the four existing 230 kV transmission lines into the new Soldier's Pond Switchyard. This requires reconstruction of the resulting eight transmission lines entering and leaving the switchyard to account for lightening protection.
- Upgrade of the protection and control systems at Hardwoods, Oxen Pond, Holyrood and Western Avalon Switchyards.

9230 Operations Telecommunications System – Island Link

- Telecommunication System shall be comprised of three separate layers: Optical Transport Network (OTN), Convergence, and Access Layers.
- OTN Layer shall be the telecommunications backbone and utilize the OPGW, All Dielectric Self Supporting (ADSS) or equivalent fibre optic infrastructure. The OTN Layer equipment nodes shall be designed based upon the least total cost of ownership alternative.
- Convergence Layer shall be based on the Synchronous Optical Network (SONET) international standard. It shall be used to create logical point-to-point

telecommunication links between all MF locations. It will multiplex and de-multiplex the Access Layer subsystems for transmission on the OTN.

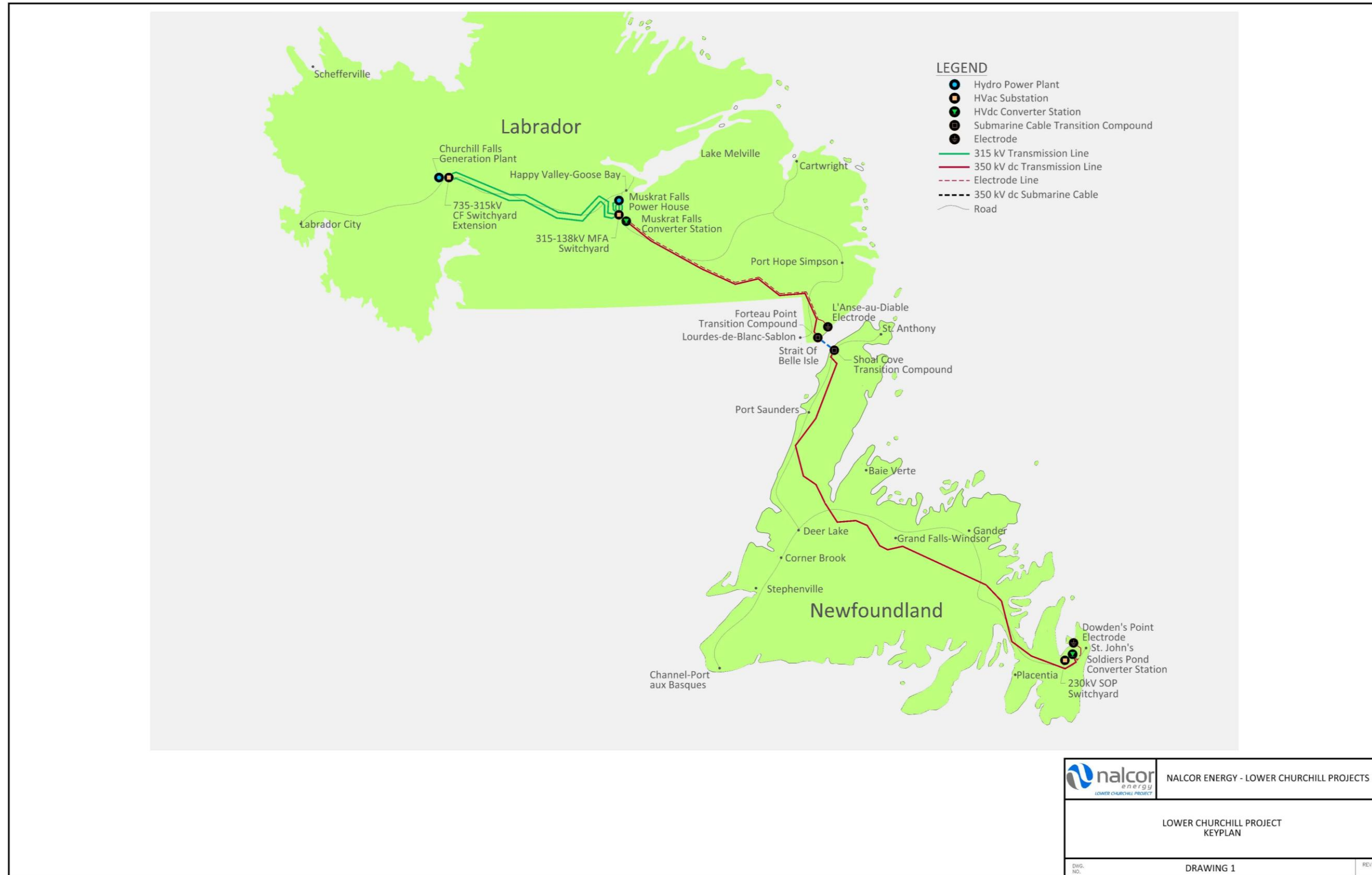
- Access Layer shall be based on the Ethernet (IEEE 802.3) standard. It shall be comprised of a minimum of three separate telecommunication systems: Protection and Control, SCADA, and Administrative systems. The Administrative system may include the following subsystems: telephony, corporate data, security access control system, and video surveillance.
- The Island Transmission Link Telecommunication Assets specifically includes the following.
 - HVdc OPGW fibre optics connecting
 - Muskrat Falls *Converter Station* to Forteau Point Transition Compound
 - Shoal Cove Transition Compound to Soldiers Pond *Converter Station*
 - ADSS fibre optics connecting
 - Forteau Point Transition Compound to the L'Anse au Diable *Electrode*
 - Soldiers Pond *Converter Station* to Dowden's Point *Electrode*
 - Fibre optic infrastructure shall also be used to connect
 - Forteau Point Transition Compound to Shoal Cove Transition Compound by optic fibres embedded in each power cable being installed across the SOBI
 - Soldiers Pond *Converter Station* to the NLH Energy Control Centre (ECC) in St. John's
 - Soldiers Pond *Converter Station* to the NLH Backup Control Centre (BCC) in Holyrood
 - OTN Layer optical-electronics associated with the above referenced HVdc OPGW fibre optic interconnections.
 - Convergence and Access Layers telecommunication systems associated with all of the above referenced fibre optic interconnections, except these telecommunication layers at MF.
 - NLH ECC and BCC SCADA system upgrades.


A.0 Activity Flow Chart

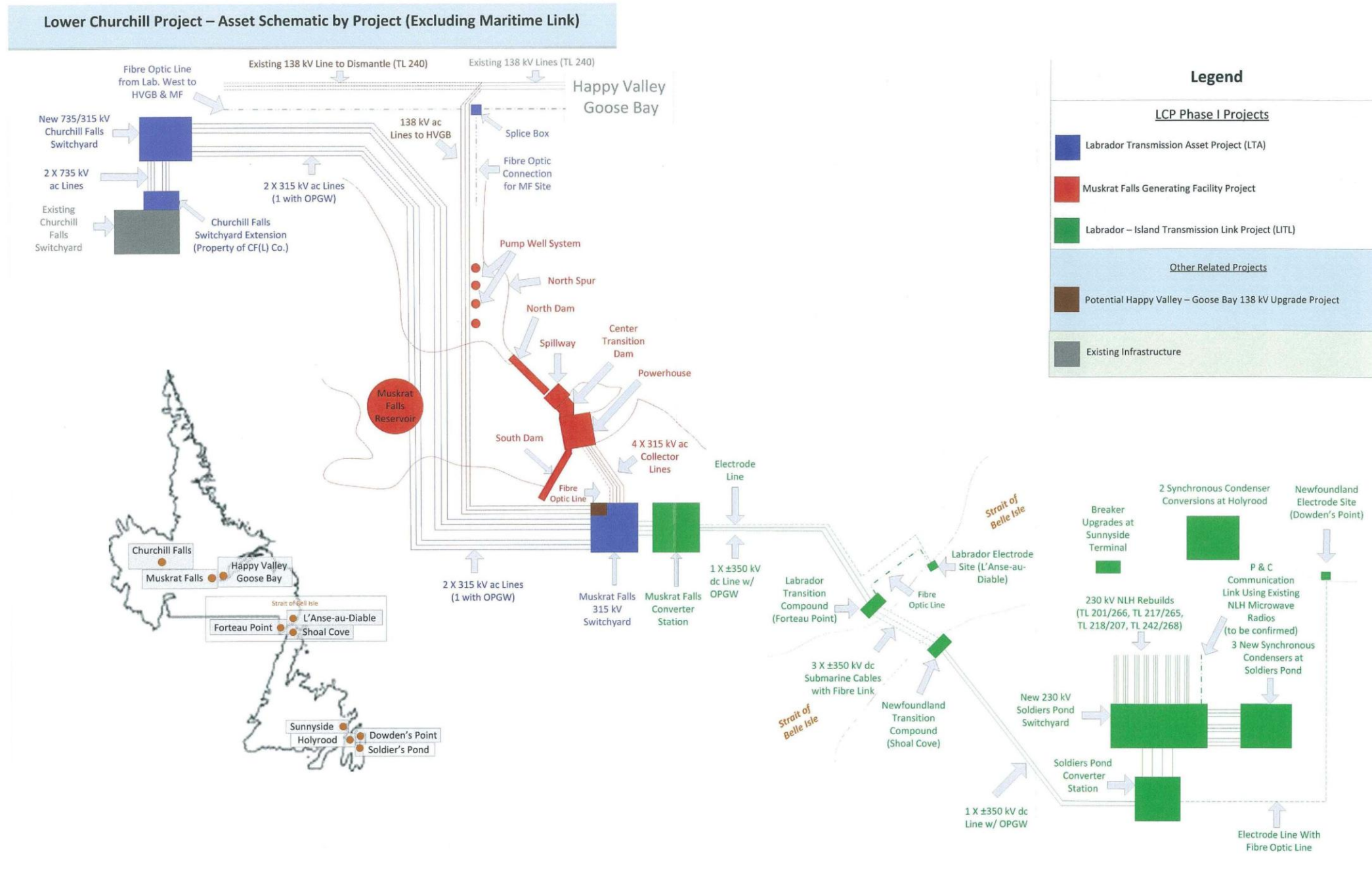
N/A

B.0 Attachments/Appendices**B.1 DRAWINGS**

1. Key Plan
2. Schematic
3. Single Line Diagram
4. Muskrat Falls – General Arrangement
5. Muskrat Falls - Elevation
6. Muskrat Falls



	NALCOR ENERGY - LOWER CHURCHILL PROJECTS	
	LOWER CHURCHILL PROJECT KEYPLAN	
DWG. NO.	DRAWING 1	REV.




Legend

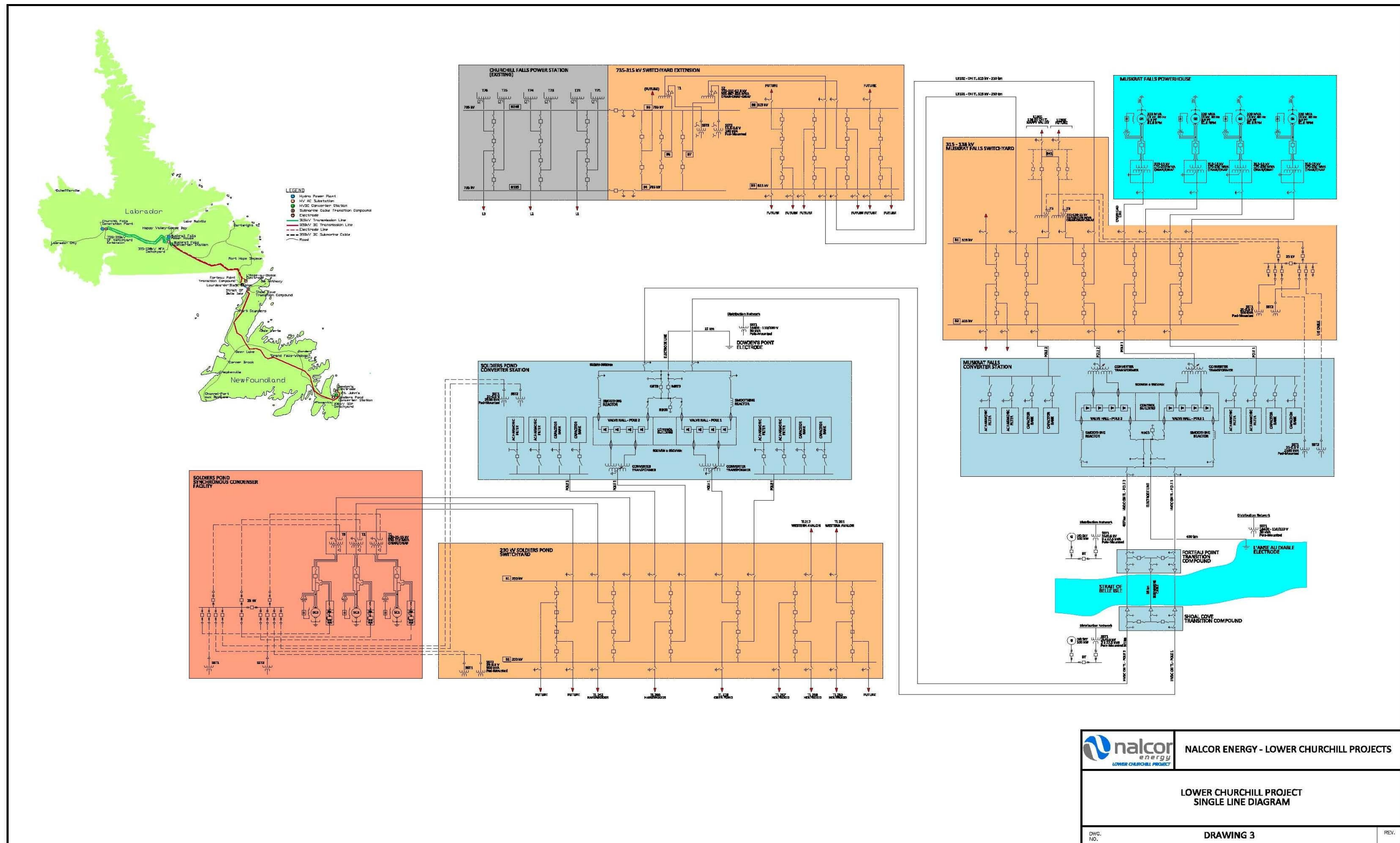
LCP Phase I Projects

- Labrador Transmission Asset Project (LTA)
- Muskrat Falls Generating Facility Project
- Labrador – Island Transmission Link Project (LITL)

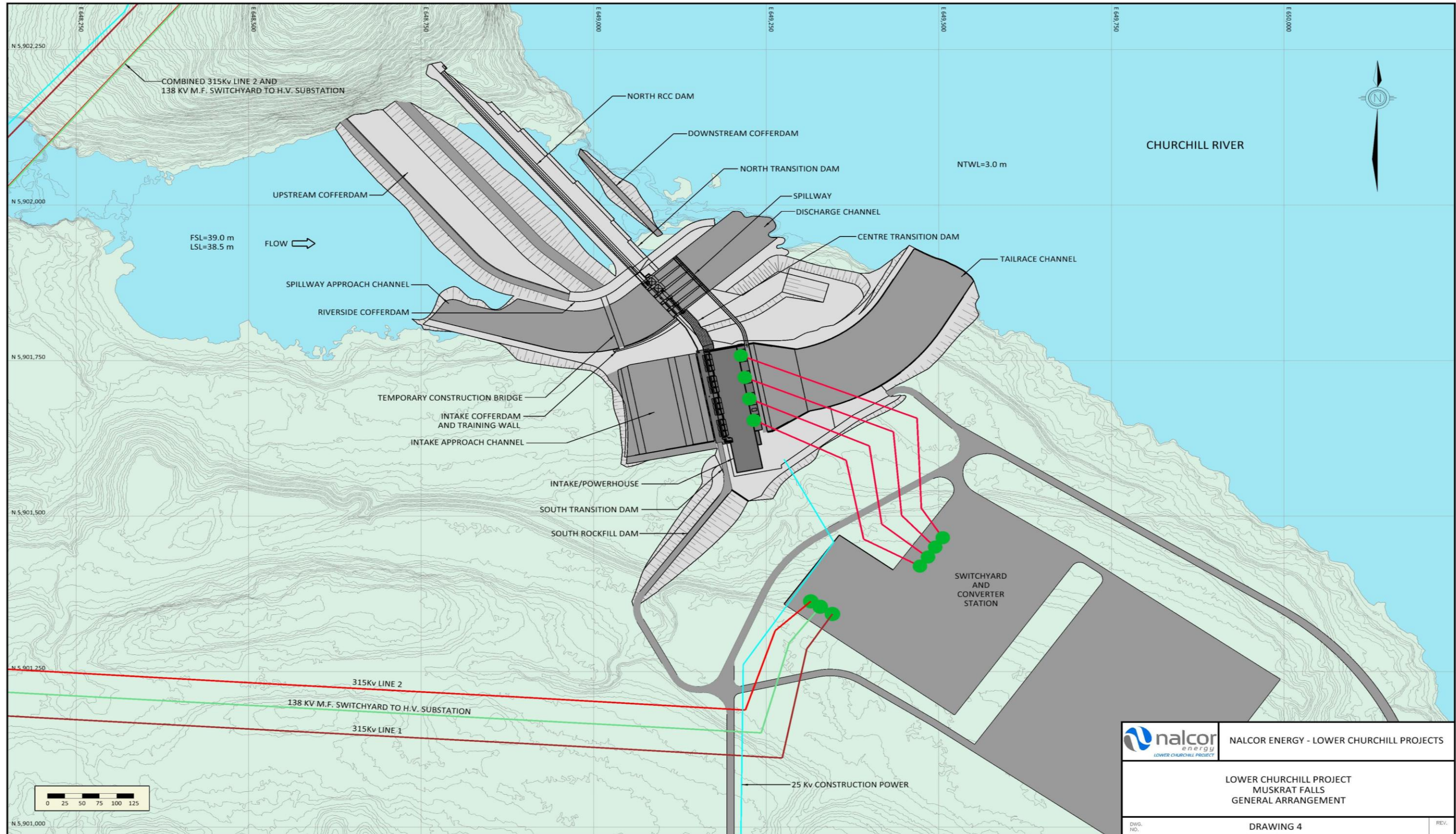
Other Related Projects

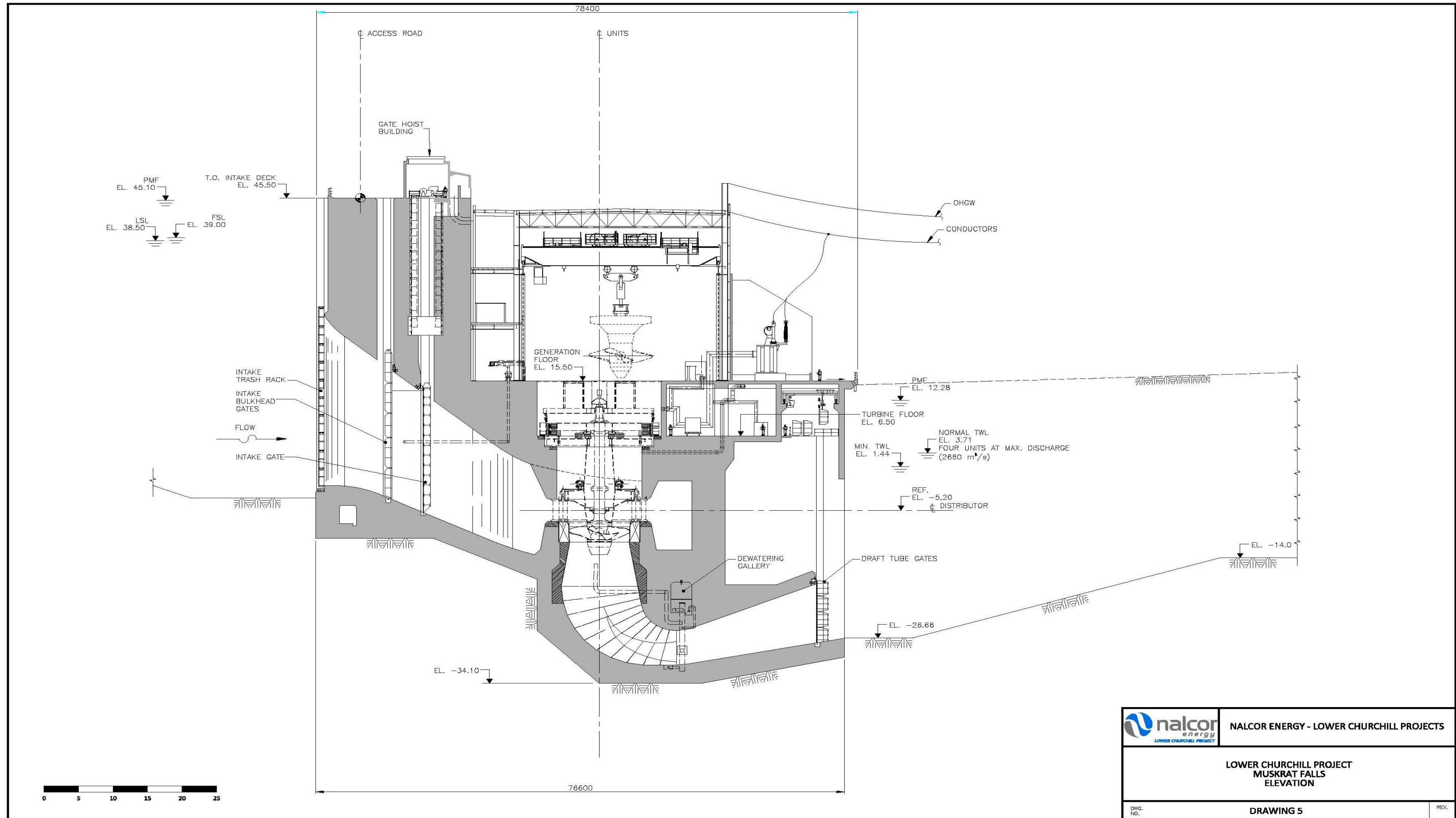
- Potential Happy Valley – Goose Bay 138 kV Upgrade Project
- Existing Infrastructure

 <p>nalcor ENERGY</p>	<p>NALCOR ENERGY - LOWER CHURCHILL PROJECTS</p>
<p>LOWER CHURCHILL PROJECT SCHEMATIC</p>	
<p>DISC. NO. _____</p>	<p>DRAWING 2</p>
<p>REV. _____</p>	<p>REV. _____</p>



	NALCOR ENERGY - LOWER CHURCHILL PROJECTS	
	LOWER CHURCHILL PROJECT SINGLE LINE DIAGRAM	
DWG. NO.	DRAWING 3	REV.







	NALCOR ENERGY - LOWER CHURCHILL PROJECTS	
	LOWER CHURCHILL PROJECT MUSKRAT FALLS	
DWG. NO.	DRAWING 6	REV.

SCHEDULE "BB"

BASE EQUITY COMMITMENT

On the date indicated below, and concurrently with the execution and delivery of the Underwriting Agreement, the Partnership has delivered this Schedule and the attached information and documents to the Collateral Agent pursuant to Section 10.29 of the LIL Project Finance Agreement.

Executed as of _____.

Yours truly,

**LABRADOR - ISLAND LINK
LIMITED PARTNERSHIP
by its general partner
LABRADOR - ISLAND LINK
GENERAL PARTNER
CORPORATION,
as an Obligor**

Per: _____

Per: _____

SCHEDULE "CC"

FUNDING REQUEST SUPPORTING DOCUMENTATION

(See attached)

Lower Churchill Project October 2013 Cash Call			
CCA	Company	Net Funds Required	
		CDN	USD
5.1	Nalcor Energy - Lower Churchill Management Corporation	10,355,427.31	59,587.50
5.2	Nalcor Energy - Gull Island	161,229.07	-
5.3	Nalcor Energy - Muskrat Falls Co.	79,880,059.56	36,000.00
5.4	Labrador Island Link Partnership Limited	5,394,028.67	28.74
5.5	Nalcor Energy - Maritime Link	190,178.57	-
5.6	Nalcor Energy - Labrador Transmission Co.	77,490.67	-
5.9	Nalcor Energy - Financing	741,416.75	-
Total		96,799,830.60	95,616.24

Consolidated Amounts Above Were Compiled From The Following		
Derived From PM+ Cash Call Report (Page 2 - 3)	85,174,773.83	36,000.00
Derived From Prism Cash Call Report (Page 4 - 12)	11,625,056.77	59,616.24
Total	96,799,830.60	95,616.24

Note: The column "Net Funds Required" above consists of forecasted cash requirements for the month of October 2013 net of any overages or shortages in the September 2013 Cash Call.

Lower Churchill Project
 PM+ Cash Call Report
 For Month Ending the 31-Oct-2013

Vendor	Invoice #	Payment Due Date	Contract/ PO #	CCA Code	Invoice Amount (incl HST)	Invoice Amount (Excl. HST)	Currency	Data Source
SNC-Lavalin Inc.	August EPCM Invoice	10-Oct-13	LC-G-002	5.1	\$ 6,873,331.77	\$ 6,082,594.49	CAD	AP
SNC-Lavalin Inc.	August Advance	10-Oct-13	LC-G-002	5.1	\$ (6,634,828.38)	\$ (5,871,529.54)	CAD	AP
SNC-Lavalin Inc.	October Advance	1-Oct-13	LC-G-002	5.1	\$ 8,070,940.47	\$ 7,142,425.19	CAD	AP
IKC-ONE	910-CO-IN-006-00	3-Oct-13	CH0006	5.3	\$ 34,171.20	\$ 30,240.00	CAD	AP
IKC-ONE	910-CO-IN-009-00	3-Oct-13	CH0006	5.3	\$ 406,517.08	\$ 359,749.63	CAD	AP
IKC-ONE	910-CO-IN-012-00	3-Oct-13	CH0006	5.3	\$ 295,563.30	\$ 261,560.44	CAD	AP
Andritz	510800718	4-Oct-13	CH0030	5.3	\$ 3,606.96	\$ 3,192.00	CAD	AP
Andritz	510800719	4-Oct-13	CH0030	5.3	\$ 58,438.40	\$ 51,715.40	CAD	AP
Killick Group	9253	5-Oct-13	SM0701-004	5.3	\$ 57,660.43	\$ 51,026.93	CAD	AP
Speuata Security	IN11025	6-Oct-13	SH0019	5.3	\$ 18,458.55	\$ 16,335.00	CAD	AP
Great Western Forestry	153	6-Oct-13	CT0341	5.3	\$ 527,201.35	\$ 466,549.87	CAD	AP
Sa-Ra	130387	10-Oct-13	PT0302-001	5.3	\$ 36,000.00	\$ 36,000.00	USD	AP
nhc	25144	10-Oct-13	SH0066-001	5.3	\$ 22,876.85	\$ 20,245.00	CAD	AP
nhc	25245	10-Oct-13	SH0066-001	5.3	\$ 75,212.80	\$ 66,560.00	CAD	AP
Johnson's Construction	4054	11-Oct-13	CT0354-001	5.3	\$ 403,909.33	\$ 357,441.88	CAD	AP
Liannu Ltd.	J000027	11-Oct-13	CH0004	5.3	\$ 275,883.01	\$ 244,144.26	CAD	AP
NE Parrott	13-012-1A	11-Oct-13	SM0704-002	5.3	\$ 2,478.38	\$ 2,193.26	CAD	AP
NE Parrott	13-012-2A	11-Oct-13	SM0704-002	5.3	\$ 730.02	\$ 646.04	CAD	AP
NE Parrott	13-012-3A	11-Oct-13	SM0704-002	5.3	\$ 4,597.39	\$ 4,068.49	CAD	AP
NE Parrott	13-012-5	11-Oct-13	SM0704-002	5.3	\$ 467,942.35	\$ 414,108.27	CAD	AP
Speuata Security	1100	12-Oct-13	SH0019	5.3	\$ 538,176.32	\$ 476,262.23	CAD	AP
IKC-ONE	910-CO-IN-007-00	12-Oct-13	CH0006	5.3	\$ 1,508,225.59	\$ 1,334,712.91	CAD	AP
Liannu Ltd.	J000030	13-Oct-13	CH0004-001	5.3	\$ 158,961.46	\$ 140,673.86	CAD	AP
Liannu Ltd.	J000029	13-Oct-13	CH0004-001	5.3	\$ 17,299.17	\$ 15,309.00	CAD	AP
AMEC	G44494	16-Oct-13	SM0713-001	5.3	\$ 519,449.97	\$ 459,690.24	CAD	AP
Bell Aliant	INV2870062	17-Oct-13	SD0560-003	5.3	\$ 180.80	\$ 160.00	CAD	AP
Innu Med	728833	17-Oct-13	SH0020	5.3	\$ 377,360.88	\$ 333,947.68	CAD	AP
Bell Mobility	946351	17-Oct-13	PD0533-021	5.3	\$ 20,694.03	\$ 18,313.30	CAD	AP
Roadpost	RC08031861	18-Oct-13	SD0560-001	5.3	\$ 1,808.23	\$ 1,600.20	CAD	AP
Seves Canada	15000321-2013-A	20-Oct-13	PT0301-001	5.3	\$ 1,284,346.80	\$ 1,136,590.09	CAD	AP
IKC-ONE	910-CO-IN-004-00	20-Oct-13	CH0006	5.3	\$ 963,281.00	\$ 852,461.06	CAD	AP
IKC-ONE	910-CO-IN-013-00	20-Oct-13	CH0006	5.3	\$ 423,523.08	\$ 374,799.19	CAD	AP
IKC-ONE	910-CO-IN-014-00	20-Oct-13	CH0006	5.3	\$ 166,124.36	\$ 147,012.71	CAD	AP
IKC-ONE	910-CO-IN-016-00	20-Oct-13	CH0006	5.3	\$ 152,590.68	\$ 135,036.00	CAD	AP
IKC-ONE	910-CO-IN-017-00	20-Oct-13	CH0006	5.3	\$ 318,482.50	\$ 281,842.92	CAD	AP
IKC-ONE	910-CO-IN-020-00	20-Oct-13	CH0006	5.3	\$ 24,272.70	\$ 21,480.27	CAD	AP
IKC-ONE	910-PE10	20-Oct-13	CH0006	5.3	\$ 16,471,963.50	\$ 14,576,958.85	CAD	AP
CSI	N/A	30-Oct-13	CH0055	5.3	\$ 1,100,000.00	\$ 973,451.33	CAD	Estimate
N/A	N/A	30-Oct-13	CH0007	5.3	\$ 2,141,387.00	\$ 1,895,032.74	CAD	Estimate
Liannu Ltd.	N/A	30-Oct-13	CH0002	5.3	\$ 29,540,556.43	\$ 26,142,085.34	CAD	Estimate
AMEC	N/A	1-Oct-13	SM0713-001	5.3	\$ (33,933.90)	\$ (30,030.00)	CAD	Carry forward last cash call
Bell Aliant	N/A	1-Oct-13	SD0560	5.3	\$ (3,148.18)	\$ (2,786.00)	CAD	Carry forward last cash call
Bell Aliant	N/A	1-Oct-13	SD0560	5.3	\$ (653.46)	\$ (578.28)	CAD	Carry forward last cash call
Bell Aliant	N/A	1-Oct-13	SD0560	5.3	\$ (275.67)	\$ (243.96)	CAD	Carry forward last cash call
IKC-ONE	N/A	1-Oct-13	CH0006	5.3	\$ (120,492.73)	\$ (106,630.73)	CAD	Carry forward last cash call
Labrador Catering Ltd	N/A	1-Oct-13	SH0054-001	5.3	\$ (116,993.03)	\$ (103,533.65)	CAD	Carry forward last cash call
Labrador Catering Ltd	N/A	1-Oct-13	SH0054-001	5.3	\$ (242,610.74)	\$ (214,699.77)	CAD	Carry forward last cash call

Lower Churchill Project
 PM+ Cash Call Report
 For Month Ending the 31-Oct-2013

Vendor	Invoice #	Payment Due Date	Contract/ PO #	CCA Code	Invoice Amount (incl HST)	Invoice Amount (Excl. HST)	Currency	Data Source
NE Parrott	N/A	1-Oct-13	SM0704-002	5.3	\$ (15,817.93)	\$ (13,998.17)	CAD	Carry forward last cash call
NE Parrott	N/A	1-Oct-13	SM0704-002	5.3	\$ (204,782.79)	\$ (181,223.71)	CAD	Carry forward last cash call
Roadpost	N/A	1-Oct-13	SD0560	5.3	\$ (2,124.39)	\$ (1,879.99)	CAD	Carry forward last cash call
Siemens	N/A	1-Oct-13	FS0519	5.3	\$ (5,969.81)	\$ (5,283.02)	CAD	Carry forward last cash call
Siemens	N/A	1-Oct-13	FS0513	5.3	\$ (23,827.53)	\$ (21,086.31)	CAD	Carry forward last cash call
Siemens	N/A	1-Oct-13	FS0529	5.3	\$ (80,887.29)	\$ (71,581.67)	CAD	Carry forward last cash call
Toromont	N/A	1-Oct-13	FS0038-001	5.3	\$ (24,951.58)	\$ (22,081.04)	CAD	Carry forward last cash call
PF Collins	N/A	1-Oct-13	SM0700-002	5.3	\$ 108,400.00	\$ 95,929.20	CAD	Carry forward last cash call
PF Collins	N/A	1-Oct-13	SM0700-002	5.3	\$ 41,944.00	\$ 37,118.58	CAD	Carry forward last cash call
PF Collins	N/A	1-Oct-13	SM0700-002	5.3	\$ 135,540.00	\$ 119,946.90	CAD	Carry forward last cash call
Bell Aliant	N/A	1-Oct-13	SD0560	5.3	\$ 99,698.79	\$ 88,229.02	CAD	Carry forward last cash call
Bell Aliant	N/A	1-Oct-13	SD0560	5.3	\$ 5,876.00	\$ 5,200.00	CAD	Carry forward last cash call
Bell Aliant	N/A	1-Oct-13	SD0560	5.3	\$ 19,181.12	\$ 16,974.44	CAD	Carry forward last cash call
Bell Aliant	N/A	1-Oct-13	SD0560	5.3	\$ 472,818.27	\$ 418,423.25	CAD	Carry forward last cash call
Grimard	N/A	1-Oct-13	PD0522	5.3	\$ 87,572.41	\$ 77,497.71	CAD	Carry forward last cash call
CSI	N/A	1-Oct-13	CH0055	5.3	\$ 97,685.25	\$ 86,447.12	CAD	Carry forward last cash call
Liannu Ltd.	N/A	1-Oct-13	CH0004	5.3	\$ 1,060,770.70	\$ 938,735.13	CAD	Carry forward last cash call
65827 NL Inc	N/A	1-Oct-13	CD0538-001	5.3	\$ 179,576.78	\$ 158,917.50	CAD	Carry forward last cash call
65827 NL Inc	N/A	1-Oct-13	CD0538-001	5.3	\$ 179,576.78	\$ 158,917.50	CAD	Carry forward last cash call
N/A	N/A	1-Oct-13	CH0007	5.3	\$ 16,869,227.00	\$ 14,928,519.47	CAD	Carry forward last cash call
Total Cash Call PM+ CAD - October					\$	85,174,773.83		
Total Cash Call PM+ USD - October					\$	36,000.00		

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Vendor	Invoice #	Payment Due Date	Contract/ PO #	CCA Code	Invoice Amount (incl HST)	Invoice Amount (Excl. HST)	Currency	Data Source
Van Ness	103337	5-Jul-13	14829-OB	5.1	\$ 55,700.72	\$ 55,700.72	USD	AP
SCI Resource	SCI-Nalcor-13-04	7-Jul-13	LCP00728	5.1	\$ 3,169.65	\$ 2,805.00	CAD	AP
Triware	143307	4-Aug-13	TBD	5.1	\$ 112.50	\$ 99.56	CAD	AP
Bell Aliant	June27/13	9-Aug-13	LCP01042	5.1	\$ 421.51	\$ 373.02	CAD	AP
Bell Aliant	INV2252717	10-Aug-13	LCP01042	5.1	\$ 167.01	\$ 147.80	CAD	AP
McInnes Cooper	2013016997	23-Aug-13	15168-OB	5.1	\$ 1,945.86	\$ 1,722.00	CAD	AP
The Telegram	TE00438533	24-Aug-13	TBD	5.1	\$ 1,544.20	\$ 1,366.55	CAD	AP
Bell Aliant	INV40408576	24-Aug-13	LCP01539	5.1	\$ 43,595.29	\$ 38,579.90	CAD	AP
Bell Aliant	INV2442025	28-Aug-13	LCP01042	5.1	\$ 12,044.05	\$ 10,658.45	CAD	AP
The Telegram	TE00439276	31-Aug-13	TBD	5.1	\$ 383.71	\$ 339.57	CAD	AP
Van Ness	104675	4-Sep-13	14829-OB	5.1	\$ 69,602.50	\$ 69,602.50	USD	AP
Peter Madden Visa	June25/13	11-Sep-13	PCard	5.1	\$ 383.07	\$ 339.00	CAD	AP
Hatch	90456549	12-Sep-13	LCP01511	5.1	\$ 37,268.56	\$ 32,981.03	CAD	AP
Noramtec	179442	19-Sep-13	LCP00772	5.1	\$ 1,564.01	\$ 1,384.08	CAD	AP
Coulson Hydrotech Inc	673	22-Sep-13	LC-PM-126	5.1	\$ 29,461.46	\$ 26,072.09	CAD	AP
The Telegram	TE00441076	22-Sep-13	TBD	5.1	\$ 443.75	\$ 392.70	CAD	AP
Colleen Sutton Visa	July 25/13	25-Sep-13	PCard	5.1	\$ 23,873.41	\$ 21,126.91	CAD	AP
Holiday Inn	56658	27-Sep-13	TBD	5.1	\$ 151.54	\$ 134.11	CAD	AP
Puglisevich	IN14430	27-Sep-13	LC-PM-101	5.1	\$ 3,313.71	\$ 2,932.49	CAD	AP
Janine Mccarthy Visa	July25/13	27-Sep-13	PCard	5.1	\$ 4,225.65	\$ 3,739.51	CAD	AP
John Cooper Visa	Apr25/13	27-Sep-13	PCard	5.1	\$ 3,456.06	\$ 3,058.46	CAD	AP
John Cooper Visa	May 27/13	27-Sep-13	PCard	5.1	\$ 2,149.73	\$ 1,902.42	CAD	AP
Charlevoix	2013-TE-08	28-Sep-13	LC-PM-141	5.1	\$ 31,979.00	\$ 28,300.00	CAD	AP
Mandy Norris Visa	July25/13	28-Sep-13	PCard	5.1	\$ 751.39	\$ 664.95	CAD	AP
The Telegram	TE00436836	29-Sep-13	LCP01463	5.1	\$ 282.39	\$ 249.90	CAD	AP
Cision	673708A	1-Oct-13	LCP00554	5.1	\$ 63.28	\$ 56.00	CAD	AP
Cision	674905A	1-Oct-13	LCP00554	5.1	\$ 65.88	\$ 58.30	CAD	AP
Serco	20130837	3-Oct-13	lcp	5.1	\$ 678.00	\$ 600.00	CAD	AP
Serco	20130780	3-Oct-13	TBD	5.1	\$ 277.98	\$ 246.00	CAD	AP
Millennium Express	76442	3-Oct-13	LCP01136	5.1	\$ 187.78	\$ 166.18	CAD	AP
Aon Reed Stenhouse	3900000036408	3-Oct-13	LCP00509	5.1	\$ 56,500.00	\$ 50,000.00	CAD	AP
SRL Consulting	2013-16	3-Oct-13	LCP00639	5.1	\$ 37,581.54	\$ 33,258.00	CAD	AP
White Hill Consulting	WHC-July2013-006	3-Oct-13	LC-PM-123	5.1	\$ 24,634.00	\$ 21,800.00	CAD	AP
AMP Consulting	2013-008	3-Oct-13	LC-PM-052	5.1	\$ 25,990.00	\$ 23,000.00	CAD	AP
Hewitt Consulting	HCI-81	3-Oct-13	LC-PM-046	5.1	\$ 33,193.75	\$ 29,375.00	CAD	AP
Bren-kir Industrial Supplies	MP-00392513	3-Oct-13	LCP01525	5.1	\$ 227.18	\$ 201.04	CAD	AP
Osler	11564496	3-Oct-13	15089-OB	5.1	\$ 5,210.32	\$ 4,610.90	CAD	AP
Osler	11565142	3-Oct-13	15089-OB	5.1	\$ 835.96	\$ 739.79	CAD	AP
International Safety Mgmt	08-008-13(A)	3-Oct-13	LC-PM-056	5.1	\$ 25,980.96	\$ 22,992.00	CAD	AP
Fircroft	10215779	4-Oct-13	LCP01090	5.1	\$ 5,185.85	\$ 4,589.25	CAD	AP
Fircroft	10215780	4-Oct-13	LCP01091	5.1	\$ 7,400.87	\$ 6,549.44	CAD	AP
Fircroft	10215781	4-Oct-13	LCP01092	5.1	\$ 8,226.40	\$ 7,280.00	CAD	AP
Jiffy Cabs	76220	4-Oct-13	LCP00493	5.1	\$ 268.75	\$ 237.83	CAD	AP
Xerox	F4S056258	4-Oct-13	14708-OB	5.1	\$ 2,556.12	\$ 2,262.05	CAD	AP
Greco	102	4-Oct-13	LCP01600	5.1	\$ 340.71	\$ 301.51	CAD	AP
Puglisevich	IN14449	4-Oct-13	LC-PM-101	5.1	\$ 21,560.40	\$ 19,080.00	CAD	AP
DND	1800164690	4-Oct-13	LCP00080	5.1	\$ 452.78	\$ 400.69	CAD	AP
MPS	23637	4-Oct-13	LCP00027	5.1	\$ 28.25	\$ 25.00	CAD	AP
Xerox	F4S068820	4-Oct-13	14708-OB	5.1	\$ 497.28	\$ 440.07	CAD	AP
Noramtec	179891	4-Oct-13	LCP00772	5.1	\$ 6,821.00	\$ 6,036.28	CAD	AP

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3273508 Nova Scotia	001	4-Oct-13	LC-PM-147	5.1	\$ 29,154.00	\$ 25,800.00	CAD	AP
McInnes Cooper	2013021543	4-Oct-13	15168-OB	5.1	\$ 1,900.66	\$ 1,682.00	CAD	AP
McInnes Cooper	2013021547	4-Oct-13	15168-OB	5.1	\$ 23,704.58	\$ 20,977.50	CAD	AP
McInnes Cooper	2013021555	4-Oct-13	15168-OB	5.1	\$ 3,393.50	\$ 3,003.10	CAD	AP
McInnes Cooper	2013022059	4-Oct-13	15168-OB	5.1	\$ 18,645.00	\$ 16,500.00	CAD	AP
McInnes Cooper	2013021532	4-Oct-13	15168-OB	5.1	\$ 10,433.06	\$ 9,232.80	CAD	AP
Air Resources	SIN722465	4-Oct-13	LCP00774	5.1	\$ 430.53	\$ 381.00	CAD	AP
Air Resources	SIN722471	4-Oct-13	LCP00785	5.1	\$ 3,885.03	\$ 3,438.08	CAD	AP
Air Resources	SIN722685	4-Oct-13	LCP01523	5.1	\$ 5,546.94	\$ 4,908.80	CAD	AP
Air Resources	SIN722684	4-Oct-13	LCP01455	5.1	\$ 22,351.40	\$ 19,780.00	CAD	AP
Air Resources	SIN722611	4-Oct-13	LCP00785	5.1	\$ 19,469.24	\$ 17,229.42	CAD	AP
Air Resources	SIN722610	4-Oct-13	LCP00774	5.1	\$ 13,869.62	\$ 12,274.00	CAD	AP
Air Resources	SIN722683	4-Oct-13	LCO01450	5.1	\$ 6,736.61	\$ 5,961.60	CAD	AP
Air Resources	SIN722686	4-Oct-13	LCP00785	5.1	\$ 4,992.11	\$ 4,417.80	CAD	AP
Bren-kir Industrial Supplies	MP-00392428	4-Oct-13	LCP01525	5.1	\$ 1,101.63	\$ 28.74	CAD	AP
Bren-kir Industrial Supplies	MP-00392430	4-Oct-13	LCP01525	5.1	\$ 350.74	\$ 310.39	CAD	AP
RJP Services	2013-09	5-Oct-13	LC-PM-005	5.1	\$ 31,396.82	\$ 27,784.80	CAD	AP
A Taste of Class	4866	5-Oct-13	LCP01119	5.1	\$ 161.01	\$ 142.49	CAD	AP
A Taste of Class	4885	5-Oct-13	LCP01119	5.1	\$ 20.89	\$ 18.49	CAD	AP
A Taste of Class	4880	5-Oct-13	LCP01119	5.1	\$ 568.77	\$ 503.34	CAD	AP
Triware	144935	5-Oct-13	LCP01635	5.1	\$ 847.50	\$ 750.00	CAD	AP
Executive Coffee	108702	5-Oct-13	LCP00029	5.1	\$ 253.91	\$ 224.70	CAD	AP
Bell Aliant	August 27/13	5-Oct-13	LCP01042	5.1	\$ 2,712.00	\$ 2,400.00	CAD	AP
Triware	144908	5-Oct-13	LC-PM-130	5.1	\$ 8,044.47	\$ 7,119.00	CAD	AP
Corporate Express	33609573	6-Oct-13	LCP01291	5.1	\$ 102.21	\$ 90.45	CAD	AP
Cahill Business Solution	09C-13-033	6-Oct-13	LC-PM-04B	5.1	\$ 29,462.69	\$ 26,073.18	CAD	AP
Dillon	113441	9-Oct-13	LCP01009	5.1	\$ 19,788.56	\$ 17,512.00	CAD	AP
Grand & Toy	F102630	9-Oct-13	LCP01290	5.1	\$ 4,139.97	\$ 3,663.69	CAD	AP
Kathel Consulting	13-012	9-Oct-13	LC-PM-003	5.1	\$ 22,543.50	\$ 19,950.00	CAD	AP
Rosanne Williams Visa	July25/13	10-Oct-13	PCard	5.1	\$ 4,069.50	\$ 3,601.33	CAD	AP
Rosanne Williams Expense Claim	Sept6/13	10-Oct-13	Tclaim	5.1	\$ 79.10	\$ 70.00	CAD	AP
USI	USI-8580	10-Oct-13	LCP00864	5.1	\$ 9,929.99	\$ 8,787.60	CAD	AP
USI	USI-8549	10-Oct-13	LCP01334	5.1	\$ 19,324.40	\$ 17,101.24	CAD	AP
USI	USI-8578	10-Oct-13	LCP00793	5.1	\$ 27,499.68	\$ 24,336.00	CAD	AP
Valley Business Equipment Inc	26169	10-Oct-13	LCP01475	5.1	\$ 15,944.30	\$ 14,110.00	CAD	AP
Transcontinental	1142	10-Oct-13	LCP01663	5.1	\$ 111.87	\$ 99.00	CAD	AP
J&H Food Services	2361	10-Oct-13	LCP00902	5.1	\$ 45.05	\$ 39.87	CAD	AP
Provincial Airlines	S0022050	10-Oct-13	LCP00829	5.1	\$ 382.35	\$ 2,112.50	CAD	AP
Provincial Airlines	S0022273	10-Oct-13	LCP00829	5.1	\$ 253.70	\$ 224.51	CAD	AP
A Taste of Class	4890	11-Oct-13	LCP01119	5.1	\$ 38.45	\$ 34.03	CAD	AP
A Taste of Class	4888	11-Oct-13	LCP01119	5.1	\$ 109.86	\$ 97.22	CAD	AP
SJR Consulting Inc		11-Oct-13	LC-PM-128	5.1	\$ 18,977.73	\$ 16,794.45	CAD	AP
EM&I Stantec Ltd	32	11-Oct-13	LC-PM-050	5.1	\$ 29,937.94	\$ 26,493.75	CAD	AP
Bugden's	6205	11-Oct-13	LCP00012	5.1	\$ 287.49	\$ 254.42	CAD	AP
Grenfell Foundation	0141	11-Oct-13	TBD	5.1	\$ 565.00	\$ 500.00	CAD	AP
Project Solutions Inc	LCP-2013-16	11-Oct-13	15011-OB	5.1	\$ 34,741.70	\$ 30,744.87	CAD	AP
Acquaint	13-942	11-Oct-13	LCP01333	5.1	\$ 7,038.18	\$ 6,228.48	CAD	AP
Acquaint	13-943	11-Oct-13	LCP01409	5.1	\$ 12,945.60	\$ 11,456.28	CAD	AP
Acquaint	13-944	11-Oct-13	LCP01534	5.1	\$ 13,866.91	\$ 12,271.60	CAD	AP
LIL GP/ Intercompany	0017	11-Oct-13	72	5.1	\$ 107.70	\$ 95.31	CAD	AP

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LIL Hold Co/ Intercompany	0018	11-Oct-13	74	5.1	\$ 107.70	\$ 95.31	CAD	AP
Noramtec	180372	12-Oct-13	LCP00772	5.1	\$ 41,438.18	\$ 36,670.96	CAD	AP
Noramtec	180370	12-Oct-13	LCP00768	5.1	\$ 33,140.64	\$ 29,328.00	CAD	AP
The Telegram	TE0442421	12-Oct-13	LCP01463	5.1	\$ 1,863.31	\$ 1,648.95	CAD	AP
Noramtec	180147	12-Oct-13	LCP01431	5.1	\$ 37,149.43	\$ 32,875.60	CAD	AP
The Telegram	TE00443032	12-Oct-13	LCP01463	5.1	\$ 342.90	\$ 303.45	CAD	AP
Contract Land Staff, LLC	2099.13.01-0069669	12-Oct-13	LC-EN-031	5.1	\$ 2,112.50	\$ 2,112.50	USD	AP
Project Solutions Inc	LCP-2013-15	13-Oct-13	15011-OB	5.1	\$ 21,597.13	\$ 19,112.50	CAD	AP
Provincial Airlines	S0022504	13-Oct-13	LCP00829	5.1	\$ 3,671.10	\$ 3,248.76	CAD	AP
Bell Aliant	INV2901847	13-Oct-13	LCP01042	5.1	\$ (32.08)	\$ (28.39)	CAD	AP
Bell Aliant	INV2902612	13-Oct-13	LCP01042	5.1	\$ 893.72	\$ 790.90	CAD	AP
Eastern Region Business Solutions	687335717	13-Oct-13	LCP01634	5.1	\$ 270.07	\$ 239.00	CAD	AP
Millennium Express	76740	13-Oct-13	LCP01136	5.1	\$ 19.09	\$ 16.89	CAD	AP
Millennium Express	76749	13-Oct-13	LCP01136	5.1	\$ 86,726.37	\$ 76,749.00	CAD	AP
The Telegram	TE00439802	13-Oct-13	LCP01463	5.1	\$ 9,040.00	\$ 8,000.00	CAD	AP
The Telegram	TE00437940	13-Oct-13	LCP01463	5.1	\$ 940.16	\$ 832.00	CAD	AP
Agility Partners	5297	13-Oct-13	LC-PM-133	5.1	\$ 2,475.00	\$ 2,475.00	USD	AP
Brenkir	MP-00392828	13-Oct-13	LCP01525	5.1	\$ 210.75	\$ 186.50	CAD	AP
Brenkir	MP-00392776	13-Oct-13	LCP01525	5.1	\$ 120.82	\$ 106.92	CAD	AP
Brenkir	MP-00392778	13-Oct-13	LCP01525	5.1	\$ 275.44	\$ 243.75	CAD	AP
Brenkir	MP-00392775	13-Oct-13	LCP01525	5.1	\$ 324.95	\$ 287.57	CAD	AP
NL News	2504	13-Oct-13	LCP01041	5.1	\$ 4,054.12	\$ 3,587.72	CAD	AP
Fed Ex	7-232-67209	13-Oct-13	TBD	5.1	\$ 596.82	\$ 528.16	CAD	AP
Xerox	F45132022	16-Oct-13	14708-OB	5.1	\$ 748.87	\$ 662.72	CAD	AP
Intruder Consulting Inc	40	16-Oct-13	LC-PM-073	5.1	\$ 18,645.00	\$ 16,500.00	CAD	AP
M S Peddle Consulting Limited	2013-008	16-Oct-13	15571-OB	5.1	\$ 26,235.27	\$ 23,217.05	CAD	AP
Dovre Canada Ltd.	33404	17-Oct-13	LCP00584	5.1	\$ 13,973.58	\$ 12,366.00	CAD	AP
Dovre Canada Ltd.	33221	17-Oct-13	LCP00585	5.1	\$ 12,638.60	\$ 11,184.60	CAD	AP
Dovre Canada Ltd.	33259	17-Oct-13	LCP00587	5.1	\$ 36,971.34	\$ 32,718.00	CAD	AP
Dovre Canada Ltd.	33362	17-Oct-13	LCP00590	5.1	\$ 20,285.76	\$ 17,952.00	CAD	AP
Dovre Canada Ltd.	33403	17-Oct-13	LCP00595	5.1	\$ 4,101.90	\$ 3,630.00	CAD	AP
Dovre Canada Ltd.	33253	17-Oct-13	LCP00601	5.1	\$ 10,824.91	\$ 9,579.57	CAD	AP
Dovre Canada Ltd.	33408	17-Oct-13	LCP00675	5.1	\$ 6,957.36	\$ 6,156.96	CAD	AP
Dovre Canada Ltd.	33264	17-Oct-13	LCP00727	5.1	\$ 9,478.44	\$ 8,388.00	CAD	AP
Dovre Canada Ltd.	33391	17-Oct-13	LCP01038	5.1	\$ 24,159.68	\$ 21,380.25	CAD	AP
Dovre Canada Ltd.	33392	17-Oct-13	LCP01039	5.1	\$ 22,771.20	\$ 20,151.50	CAD	AP
Dovre Canada Ltd.	33393	17-Oct-13	LCP01049	5.1	\$ 24,437.38	\$ 21,626.00	CAD	AP
Dovre Canada Ltd.	33260	17-Oct-13	LCP01129	5.1	\$ 8,847.90	\$ 7,830.00	CAD	AP
Dovre Canada Ltd.	33266	17-Oct-13	LCP01211	5.1	\$ 4,465.76	\$ 3,952.00	CAD	AP
Dovre Canada Ltd.	33262	17-Oct-13	LCP01279	5.1	\$ 31,891.99	\$ 28,223.00	CAD	AP
Dovre Canada Ltd.	33225	17-Oct-13	LCP01332	5.1	\$ 11,814.69	\$ 10,455.48	CAD	AP
Dovre Canada Ltd.	33255	17-Oct-13	LCP01533	5.1	\$ 23,540.16	\$ 20,832.00	CAD	AP
Dovre Canada Ltd.	33261	17-Oct-13	LCP01538	5.1	\$ 6,221.77	\$ 5,505.99	CAD	AP
Dovre Canada Ltd.	33409	17-Oct-13	LCP01631	5.1	\$ 3,955.00	\$ 3,500.00	CAD	AP
Victoria Stanford Visa	May 27/13	17-Oct-13	PCard	5.1	\$ 526.57	\$ 465.99	CAD	AP
Ian Hickey Visa	Aug 26/13	17-Oct-13	PCard	5.1	\$ 5,926.53	\$ 5,244.72	CAD	AP
Cision	681762	17-Oct-13	LCP00554	5.1	\$ 561.53	\$ 496.93	CAD	AP
NL News	2447	17-Oct-13	LCP00554	5.1	\$ 4,740.70	\$ 4,195.31	CAD	AP
Brenkir	MP-00393134	18-Oct-13	LCP01525	5.1	\$ 106.39	\$ 94.15	CAD	AP
Brenkir	MP-00393027	18-Oct-13	LCP01525	5.1	\$ 305.64	\$ 270.48	CAD	AP

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Brenkir	MP-00393025	18-Oct-13	LCP01525	5.1	\$ 298.74	\$ 264.37	CAD	AP
CBDC Labrador Inc	YV1	18-Oct-13	TBD	5.1	\$ 282.50	\$ 250.00	CAD	AP
MicroAge Computer Centers	IN130438	18-Oct-13	TBD	5.1	\$ 4,271.40	\$ 3,780.00	CAD	AP
Cansel	K04583	18-Oct-13	LCP01443	5.1	\$ 431.66	\$ 382.00	CAD	AP
Cansel	K04845	18-Oct-13	LCP01629	5.1	\$ 576.30	\$ 510.00	CAD	AP
A Taste of Class	4901	18-Oct-13	LCP01119	5.1	\$ 18.50	\$ 16.37	CAD	AP
A Taste of Class	4900	18-Oct-13	LCP01119	5.1	\$ 52.25	\$ 46.24	CAD	AP
A Taste of Class	4908	18-Oct-13	LCP01119	5.1	\$ 68.67	\$ 55,000.00	CAD	AP
A Taste of Class	4906	18-Oct-13	LCP01119	5.1	\$ 269.64	\$ 238.62	CAD	AP
St. John Ambulance	INV000039486	18-Oct-13	TBD	5.1	\$ 235.04	\$ 208.00	CAD	AP
St. John Ambulance	INV000039771	18-Oct-13	LCP01646	5.1	\$ 4,097.80	\$ 3,626.37	CAD	AP
Marine Institue	MI28261	18-Oct-13	LCP01473	5.1	\$ 3,559.50	\$ 3,150.00	CAD	AP
Peter Hatcher Visa	Aug 26/13	19-Oct-13	Pcard	5.1	\$ 6,797.99	\$ 6,015.92	CAD	AP
Margriette Snow Visa	Aug 26/13	19-Oct-13	Pcard	5.1	\$ 8,988.49	\$ 7,954.42	CAD	AP
Mun	GC220-14	19-Oct-13	TBD	5.1	\$ 779.70	\$ 690.00	CAD	AP
Hatch	90461284	19-Oct-13	LCP01511	5.1	\$ 32,019.68	\$ 28,336.00	CAD	AP
Corporate Express	33712860	19-Oct-13	LCP01291	5.1	\$ 81.48	\$ 72.11	CAD	AP
J&H Food Services	2285	19-Oct-13	LCP00902	5.1	\$ 143.46	\$ 126.96	CAD	AP
Executive Coffee	109438	19-Oct-13	LCP00029	5.1	\$ 437.08	\$ 386.80	CAD	AP
Greco	286	19-Oct-13	LCP01600	5.1	\$ 181.64	\$ 160.74	CAD	AP
Brenda Anstey Visa	Aug 26/13	19-Oct-13	Pcard	5.1	\$ 4,146.92	\$ 3,669.84	CAD	AP
Cahill Business Solution	Est	27-Oct-13	LC-PM-048	5.1	\$ 29,380.00	\$ 26,000.00	CAD	AP
SRL Consulting	Est	30-Oct-13	LC-PM-071	5.1	\$ 42,940.00	\$ 38,000.00	CAD	AP
AMP Consulting	Est	30-Oct-13	LC-PM-052	5.1	\$ 27,685.00	\$ 24,500.00	CAD	AP
International Safety Mgmt	Est	30-Oct-13	LC-PM-056	5.1	\$ 23,730.00	\$ 21,000.00	CAD	AP
Van Ness Feldman	est	30-Oct-13	14829-OB	5.1	\$ 55,000.00	\$ 55,000.00	USD	AP
Commercial Project Services	est	30-Oct-13	15012-OB	5.1	\$ 33,900.00	\$ 30,000.00	CAD	AP
Hewitt Consulting	est	30-Oct-13	LC-PM-046	5.1	\$ 31,075.00	\$ 27,500.00	CAD	AP
Salaries	Est	31-Oct-13	TBD	5.1	\$ 50,300.00	\$ 44,513.27	CAD	AP
Corporate - Overhead	130859	31-Oct-13	TBD	5.1	\$ 152,256.00	\$ 134,739.82	CAD	AP
Corporate - Cell Comm	Est	31-Oct-13	TBD	5.1	\$ 16,500.00	\$ 14,601.77	CAD	AP
Corporate - PCard	Est	31-Oct-13	TBD	5.1	\$ 175,000.00	\$ 154,867.26	CAD	AP
Van Ness	103337	1-Oct-13	14829-OB	5.1	\$ (55,700.72)	\$ (55,700.72)	USD	Carry forward last cash call
SCI Resource	SCI-Nalcor-13-04	1-Oct-13	LCP00728	5.1	\$ (3,169.65)	\$ (2,805.00)	CAD	Carry forward last cash call
Triware	143307	1-Oct-13	TBD	5.1	\$ (112.50)	\$ (99.56)	CAD	Carry forward last cash call
Bell Aliant	INV2252717	1-Oct-13	LCP01042	5.1	\$ (167.01)	\$ (147.80)	CAD	Carry forward last cash call
Bell Aliant	June27/13	1-Oct-13	LCP01042	5.1	\$ (421.51)	\$ (373.02)	CAD	Carry forward last cash call
McInnes Cooper	2013016997	1-Oct-13	15168-OB	5.1	\$ (1,945.86)	\$ (1,722.00)	CAD	Carry forward last cash call
The Telegram	TE00438533	1-Oct-13	TBD	5.1	\$ (1,544.20)	\$ (1,366.55)	CAD	Carry forward last cash call
Bell Aliant	INV40408576	1-Oct-13	LCP01539	5.1	\$ (43,595.29)	\$ (38,579.90)	CAD	Carry forward last cash call
Bell Aliant	INV2442025	1-Oct-13	LCP01042	5.1	\$ (12,044.05)	\$ (10,658.45)	CAD	Carry forward last cash call
The Telegram	TE00439276	1-Oct-13	TBD	5.1	\$ (383.71)	\$ (339.57)	CAD	Carry forward last cash call
Van Ness	104675	1-Oct-13	14829-OB	5.1	\$ (69,602.50)	\$ (69,602.50)	USD	Carry forward last cash call
Hatch	90456549	1-Oct-13	LCP01511	5.1	\$ (37,268.56)	\$ (32,981.03)	CAD	Carry forward last cash call
Noramtec	179442	1-Oct-13	LCP00772	5.1	\$ (1,564.01)	\$ (1,384.08)	CAD	Carry forward last cash call
Coulson Hydrotech Inc	673	1-Oct-13	LC-PM-126	5.1	\$ (29,461.46)	\$ (26,072.09)	CAD	Carry forward last cash call
The Telegram	TE00441076	1-Oct-13	TBD	5.1	\$ (443.75)	\$ (392.70)	CAD	Carry forward last cash call
Hatch	90455333	25-Aug-13	15074-OB	5.2	\$ 44,873.86	\$ 39,711.38	CAD	AP
Fasken	751056	26-Sep-13	14672-OB	5.2	\$ 12,857.83	\$ 11,378.61	CAD	AP
Fasken	751035	26-Sep-13	14672-OB	5.2	\$ 38,930.59	\$ 34,451.85	CAD	AP

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McInnes Cooper	2013021525	4-Oct-13	15168-OB	5.2	\$ 8,642.14	\$ 7,647.91	CAD	AP
McInnes Cooper	2013021522	4-Oct-13	15168-OB	5.2	\$ 7,176.52	\$ 6,350.90	CAD	AP
Navigant	402271	5-Oct-13	15366-OB	5.2	\$ 2,260.00	\$ 2,000.00	CAD	AP
Hatch	90458928	5-Oct-13	15074-OB	5.2	\$ 38,200.78	\$ 33,806.00	CAD	AP
Kathel Consulting	13-012	9-Oct-13	LC-PM-003	5.2	\$ 1,610.25	\$ 1,425.00	CAD	AP
Ann James Visa	July 25/13	9-Oct-13	PCard	5.2	\$ 50.96	\$ 45.10	CAD	AP
Salaries	Est	31-Oct-13	TBD	5.2	\$ 51,500.00	\$ 45,575.22	CAD	AP
Hatch	90455333	1-Oct-13	15074-OB	5.2	\$ (44,873.86)	\$ (39,711.38)	CAD	Carry forward last cash call
Hatch	90454133	21-Aug-13	LCP01315	5.3	\$ 28,289.48	\$ 25,034.94	CAD	AP
Hatch	90454030	21-Aug-13	LCP01402	5.3	\$ 36,681.25	\$ 32,461.28	CAD	AP
Hatch	90454031	21-Aug-13	LCP01401	5.3	\$ 33,116.31	\$ 29,306.47	CAD	AP
McInnes Cooper	2013016216	23-Aug-13	15168-OB	5.3	\$ 46,356.05	\$ 41,023.05	CAD	AP
Orion Holdings	NAL-003	25-Aug-13	LC-PM-129	5.3	\$ 37,021.87	\$ 32,762.72	CAD	AP
EFCO Enterprises	25549	10-Sep-13	LC-MF-003	5.3	\$ 157,635.00	\$ 139,500.00	CAD	AP
Hatch	90456550	12-Sep-13	LCP01549	5.3	\$ 16,805.36	\$ 14,872.00	CAD	AP
Hatch	90456548	12-Sep-13	LCP01510	5.3	\$ 23,617.00	\$ 20,900.00	CAD	AP
Hatch	90456545	12-Sep-13	LCP01414	5.3	\$ 16,953.70	\$ 15,003.27	CAD	AP
Hatch	90456544	12-Sep-13	LCP01401	5.3	\$ 28,360.01	\$ 25,097.35	CAD	AP
Hatch	90456543	12-Sep-13	LCP01402	5.3	\$ 46,145.12	\$ 40,836.39	CAD	AP
Hatch	90456542	12-Sep-13	LCP01384	5.3	\$ 26,035.20	\$ 23,040.00	CAD	AP
Hatch	90456541	12-Sep-13	LCP01383	5.3	\$ 30,916.80	\$ 27,360.00	CAD	AP
Hatch	90456540	12-Sep-13	LCP01385	5.3	\$ 37,734.09	\$ 33,393.00	CAD	AP
Hatch	90456539	12-Sep-13	LCP01382	5.3	\$ 3,227.28	\$ 2,856.00	CAD	AP
Hatch	90456538	12-Sep-13	LCP01324	5.3	\$ 38,608.71	\$ 34,167.00	CAD	AP
Hatch	90456535	12-Sep-13	LCP01316	5.3	\$ 3,034.05	\$ 2,685.00	CAD	AP
Hatch	90456551	12-Sep-13	LCP01552	5.3	\$ 34,949.89	\$ 30,929.11	CAD	AP
Orion Holdings	NAL-004R1	15-Sep-13	LC-PM-129	5.3	\$ 47,628.70	\$ 42,149.29	CAD	AP
EFCO Enterprises	25446-2	18-Sep-13	LC-MF-003	5.3	\$ 17,978.30	\$ 15,910.00	CAD	AP
Newfound Recruiting	130815-1241	25-Sep-13	LCP01544	5.3	\$ 2,169.60	\$ 1,920.00	CAD	AP
Peter Hewlett Visa	July 25/13	27-Sep-13	PCard	5.3	\$ 2,188.38	\$ 1,936.62	CAD	AP
Tier One Consultants	TOC-LCP-07	3-Oct-13	LC-PM-116	5.3	\$ 31,640.00	\$ 28,000.00	CAD	AP
DHB Consulting	NE-1308	3-Oct-13	15432-OB	5.3	\$ 20,715.22	\$ 18,332.05	CAD	AP
Gemini	4	3-Oct-13	LC-PM-136	5.3	\$ 41,923.00	\$ 37,100.00	CAD	AP
Pardy's Waste Managemenet	41938	3-Oct-13	LCP01587	5.3	\$ 25,697.61	\$ 22,741.25	CAD	AP
Gate4	G4-LCP-08	4-Oct-13	LC-PM-115	5.3	\$ 21,441.75	\$ 18,975.00	CAD	AP
McInnes Cooper	2013021528	4-Oct-13	15168-OB	5.3	\$ 72,532.68	\$ 64,188.21	CAD	AP
McInnes Cooper	2013021552	4-Oct-13	15168-OB	5.3	\$ 47,497.99	\$ 42,033.62	CAD	AP
NSB Energy Inc	2013-574	4-Oct-13	LCP01557	5.3	\$ 573.26	\$ 507.31	CAD	AP
NSB Energy Inc	2013-582	4-Oct-13	LCP01490	5.3	\$ 16,305.90	\$ 14,430.00	CAD	AP
NSB Energy Inc	2013-583	4-Oct-13	LCP01503	5.3	\$ 24,176.35	\$ 21,395.00	CAD	AP
SRO Consulting	2013-008	5-Oct-13	LC-PM-058	5.3	\$ 42,866.55	\$ 37,935.00	CAD	AP
Fircroft	10215671R	6-Oct-13	LCP01275	5.3	\$ 14,905.30	\$ 13,190.53	CAD	AP
USI	USI-8581	10-Oct-13	LCP00947	5.3	\$ 26,781.88	\$ 23,700.78	CAD	AP
Jenso	1309001	10-Oct-13	LCP01223	5.3	\$ 2,911.68	\$ 2,576.71	CAD	AP
Micmac Fire and Safety Source Ltd	NS-00811698	10-Oct-13	LCP01569	5.3	\$ 5,282.70	\$ 4,674.96	CAD	AP
Micmac Fire and Safety Source Ltd	NS-00811809	10-Oct-13	LCP01569	5.3	\$ 565.61	\$ 500.54	CAD	AP
Vigilant Management	161	11-Oct-13	LC-PM-138	5.3	\$ 20,784.38	\$ 18,393.26	CAD	AP
Canadian Helicopters	GBI-3004856	11-Oct-13	LCP01588	5.3	\$ 167,905.68	\$ 148,589.10	CAD	AP
Canadian Helicopters	GBI-3004857	11-Oct-13	LCP01556	5.3	\$ 60,811.88	\$ 53,815.82	CAD	AP
Canadian Helicopters	GBI-3004858	11-Oct-13	LCP01550	5.3	\$ 3,022.34	\$ 2,674.64	CAD	AP

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NSB Energy Inc	2013-587	11-Oct-13	LCP01575	5.3	\$ 7,627.50	\$ 6,750.00	CAD	AP
NSB Energy Inc	2013-606	11-Oct-13	LCP01489	5.3	\$ 909.97	\$ 805.28	CAD	AP
Dwayne Wells Visa	August 26/13	11-Oct-13	PCard	5.3	\$ 3,717.51	\$ 3,289.83	CAD	AP
Matthew Hillier	August 26/13	11-Oct-13	PCard	5.3	\$ 4,404.40	\$ 3,897.70	CAD	AP
Patrick Keough	August 26/13	11-Oct-13	PCard	5.3	\$ 5,322.28	\$ 4,709.98	CAD	AP
Darren Paddock	August 26/13	11-Oct-13	PCard	5.3	\$ 841.47	\$ 744.66	CAD	AP
Chris Dunphy	August 26/13	11-Oct-13	PCard	5.3	\$ 1,162.49	\$ 1,028.75	CAD	AP
Alemdar Construction Management Services	1304	11-Oct-13	LC-PM-145	5.3	\$ 9,161.16	\$ 8,107.22	CAD	AP
Northern Oil Ltd	13427	12-Oct-13	LCP01406	5.3	\$ 1,266.99	\$ 1,121.23	CAD	AP
Northern Oil Ltd	725427	12-Oct-13	LCP01406	5.3	\$ 1,365.82	\$ 1,208.69	CAD	AP
Northern Oil Ltd	725573	12-Oct-13	LCP01406	5.3	\$ 226.67	\$ 200.59	CAD	AP
Northern Oil Ltd	13582	12-Oct-13	LCP01406	5.3	\$ 1,440.86	\$ 1,275.10	CAD	AP
Northern Oil Ltd	726067	12-Oct-13	LCP01406	5.3	\$ 2,262.49	\$ 2,002.20	CAD	AP
Northern Oil Ltd	13571	12-Oct-13	LCP01406	5.3	\$ 1,735.94	\$ 1,536.23	CAD	AP
Northern Oil Ltd	726078	12-Oct-13	LCP01406	5.3	\$ 1,819.41	\$ 1,610.10	CAD	AP
Northern Oil Ltd	13559	12-Oct-13	LCP01406	5.3	\$ 958.58	\$ 848.30	CAD	AP
Alantra Leasing Inc	35770	12-Oct-13	LCP01576	5.3	\$ 1,237.35	\$ 1,095.00	CAD	AP
Alantra Leasing Inc	35769	12-Oct-13	LCP01576	5.3	\$ 1,237.35	\$ 1,095.00	CAD	AP
Capital Crane	70407	12-Oct-13	LCP01653	5.3	\$ 1,708.84	\$ 1,512.25	CAD	AP
Bio-Green Waste Water Ltd.	21	13-Oct-13	LC-PM-112	5.3	\$ 4,356.56	\$ 3,855.36	CAD	AP
Bio-Green Waste Water Ltd.	22	13-Oct-13	LC-PM-112	5.3	\$ 2,373.00	\$ 2,100.00	CAD	AP
Bio-Green Waste Water Ltd.	20	13-Oct-13	LC-PM-113	5.3	\$ 50,624.00	\$ 44,800.00	CAD	AP
Dept of Environment & Conservation	22012271	13-Oct-13	LCP01270	5.3	\$ 30.45	\$ 26.95	CAD	AP
Newfound Recruiting	130904-1292	13-Oct-13	LCP01544	5.3	\$ 2,115.36	\$ 1,872.00	CAD	AP
Dovre Canada Ltd.	33444	17-Oct-13	LCP00578	5.3	\$ 43,179.36	\$ 38,211.82	CAD	AP
Dovre Canada Ltd.	33410	17-Oct-13	LCP00581	5.3	\$ 29,992.81	\$ 26,542.31	CAD	AP
Dovre Canada Ltd.	33224	17-Oct-13	LCP00602	5.3	\$ 43,638.32	\$ 38,617.98	CAD	AP
Dovre Canada Ltd.	33450	17-Oct-13	LCP00660	5.3	\$ 31,684.50	\$ 28,039.38	CAD	AP
Dovre Canada Ltd.	33265	17-Oct-13	LCP01064	5.3	\$ 27,322.84	\$ 24,179.50	CAD	AP
Dovre Canada Ltd.	33223	17-Oct-13	LCP01540	5.3	\$ 27,844.90	\$ 24,641.50	CAD	AP
Dovre Canada Ltd.	33220	17-Oct-13	LCP01542	5.3	\$ 21,675.75	\$ 19,182.08	CAD	AP
Goose Bay Airport Corporation	VP08-13	18-Oct-13	LCP01397	5.3	\$ 169.50	\$ 150.00	CAD	AP
CGI Development Inc	2452	18-Oct-13	LCP01581	5.3	\$ 95,943.78	\$ 84,906.00	CAD	AP
Maderra	1485	18-Oct-13	LCP01131	5.3	\$ 43,916.30	\$ 38,863.98	CAD	AP
Maderra	1486	18-Oct-13	LCP01131	5.3	\$ 1,865.86	\$ 1,651.20	CAD	AP
Campbell Scientific	108640	18-Oct-13	LCP01606	5.3	\$ 2,740.25	\$ 2,425.00	CAD	AP
Stassinu Stantec	1396	19-Oct-13	LC-EV-102	5.3	\$ 276,577.67	\$ 244,759.00	CAD	AP
Stassinu Stantec	1397	19-Oct-13	LC-EV-102	5.3	\$ 367,171.35	\$ 324,930.40	CAD	AP
Cyril French Visa	July 25/13	19-Oct-13	Pcard	5.3	\$ 3,457.25	\$ 3,059.51	CAD	AP
Hatch	90461698	19-Oct-13	15074-OB	5.3	\$ 16,840.21	\$ 14,902.84	CAD	AP
Hatch	90461769	19-Oct-13	LCP01510	5.3	\$ 35,458.96	\$ 31,379.61	CAD	AP
Hatch	90461409	19-Oct-13	LCP01552	5.3	\$ 66,715.20	\$ 59,040.00	CAD	AP
Hatch	90461285	19-Oct-13	LCP01549	5.3	\$ 35,138.48	\$ 31,096.00	CAD	AP
Hatch	90461283	19-Oct-13	LCP01468	5.3	\$ 29,696.40	\$ 26,280.00	CAD	AP
Hatch	90461282	19-Oct-13	LCP01414	5.3	\$ 24,432.55	\$ 21,621.73	CAD	AP
Hatch	90461281	19-Oct-13	LCP01401	5.3	\$ 42,955.56	\$ 38,013.77	CAD	AP
Hatch	90461279	19-Oct-13	LCP01384	5.3	\$ 7,322.40	\$ 6,480.00	CAD	AP
Hatch	90461278	19-Oct-13	LCP01385	5.3	\$ 38,344.00	\$ 33,932.74	CAD	AP
Hatch	90461277	19-Oct-13	LCP01382	5.3	\$ 24,742.48	\$ 21,896.00	CAD	AP
Hatch	90461276	19-Oct-13	LCP01324	5.3	\$ 47,188.78	\$ 41,759.98	CAD	AP

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Hatch	90461274	19-Oct-13	LCP01316	5.3	\$ 25,064.03	\$ 22,180.56	CAD	AP
Raj Kaushik Visa	Aug 26/13	19-Oct-13	PCard	5.3	\$ 2,704.85	\$ 2,393.67	CAD	AP
Salaries	Est	31-Oct-13	TBD	5.3	\$ 433,700.00	\$ 383,805.31	CAD	AP
Corporate - PHH	Est	31-Oct-13	TBD	5.3	\$ 30,000.00	\$ 26,548.67	CAD	AP
CF(L)co	130843	31-Oct-13	TBD	5.3	\$ 4,706.45	\$ 4,165.00	CAD	AP
CF(L)co	130842	31-Oct-13	TBD	5.3	\$ 10,277.35	\$ 9,095.00	CAD	AP
CF(L)co	130837	31-Oct-13	TBD	5.3	\$ 106,568.80	\$ 94,308.67	CAD	AP
CF(L)co	130836	31-Oct-13	TBD	5.3	\$ 97,451.49	\$ 86,240.26	CAD	AP
Hatch	90454133	1-Oct-13	LCP01315	5.3	\$ (28,289.48)	\$ (25,034.94)	CAD	Carry forward last cash call
Hatch	90454030	1-Oct-13	LCP01402	5.3	\$ (36,681.25)	\$ (32,461.28)	CAD	Carry forward last cash call
Hatch	90454031	1-Oct-13	LCP01401	5.3	\$ (33,116.31)	\$ (29,306.47)	CAD	Carry forward last cash call
McInnes Cooper	2013016216	1-Oct-13	15168-OB	5.3	\$ (46,356.05)	\$ (41,023.05)	CAD	Carry forward last cash call
Orion Holdings	NAL-003	1-Oct-13	LC-PM-129	5.3	\$ (37,021.87)	\$ (32,762.72)	CAD	Carry forward last cash call
Hatch	90456550	1-Oct-13	LCP01549	5.3	\$ (16,805.36)	\$ (14,872.00)	CAD	Carry forward last cash call
Hatch	90456548	1-Oct-13	LCP01510	5.3	\$ (23,617.00)	\$ (20,900.00)	CAD	Carry forward last cash call
Hatch	90456545	1-Oct-13	LCP01414	5.3	\$ (16,953.70)	\$ (15,003.27)	CAD	Carry forward last cash call
Hatch	90456544	1-Oct-13	LCP01401	5.3	\$ (28,360.01)	\$ (25,097.35)	CAD	Carry forward last cash call
Hatch	90456543	1-Oct-13	LCP01402	5.3	\$ (46,145.12)	\$ (40,836.39)	CAD	Carry forward last cash call
Hatch	90456542	1-Oct-13	LCP01384	5.3	\$ (26,035.20)	\$ (23,040.00)	CAD	Carry forward last cash call
Hatch	90456541	1-Oct-13	LCP01383	5.3	\$ (30,916.80)	\$ (27,360.00)	CAD	Carry forward last cash call
Hatch	90456540	1-Oct-13	LCP01385	5.3	\$ (37,734.09)	\$ (33,393.00)	CAD	Carry forward last cash call
Hatch	90456539	1-Oct-13	LCP01382	5.3	\$ (3,227.28)	\$ (2,856.00)	CAD	Carry forward last cash call
Hatch	90456538	1-Oct-13	LCP01324	5.3	\$ (38,608.71)	\$ (34,167.00)	CAD	Carry forward last cash call
Hatch	90456535	1-Oct-13	LCP01316	5.3	\$ (3,034.05)	\$ (2,685.00)	CAD	Carry forward last cash call
Hatch	90456551	1-Oct-13	LCP01552	5.3	\$ (34,949.89)	\$ (30,929.11)	CAD	Carry forward last cash call
Orion Holdings	NAL-004R1	1-Oct-13	LC-PM-129	5.3	\$ (47,628.70)	\$ (42,149.29)	CAD	Carry forward last cash call
EFCO Enterprises	25446-2	1-Oct-13	LC-MF-003	5.3	\$ (17,978.30)	\$ (15,910.00)	CAD	Carry forward last cash call
Hatch	90454170	21-Aug-13	LCP01471	5.4	\$ 53,251.58	\$ 47,125.29	CAD	AP
Nexus Energy Inc	NEI-NEL-T0005	10-Sep-13	LC-PM-102	5.4	\$ 899.33	\$ 795.87	CAD	AP
Hatch	90460830	10-Sep-13	LC-5B-008	5.4	\$ 39,556.22	\$ 35,005.50	CAD	AP
Hatch	90456546	12-Sep-13	LCP01471	5.4	\$ 37,787.20	\$ 33,440.00	CAD	AP
Hatch	90456537	12-Sep-13	LCP01305	5.4	\$ 27,653.36	\$ 24,472.00	CAD	AP
Hatch	90456536	12-Sep-13	LCP01295	5.4	\$ 26,244.79	\$ 23,225.48	CAD	AP
LGL	13576	19-Sep-13	LC-EV-049	5.4	\$ 1,002.34	\$ 887.03	CAD	AP
Newfound Recruiting	130815-1240	25-Sep-13	LCP01547	5.4	\$ 6,102.00	\$ 5,400.00	CAD	AP
Amec	G44453	27-Sep-13	LC-EV-108	5.4	\$ 50,940.40	\$ 45,080.00	CAD	AP
Robco	13-08	28-Sep-13	LC-PM-059	5.4	\$ 29,829.18	\$ 26,397.50	CAD	AP
SFO Subsea Inc	2013 08	29-Sep-13	LC-PM-051	5.4	\$ 26,103.00	\$ 23,100.00	CAD	AP
VF Solutions	VFS-NLCP-AUG13-001	29-Sep-13	LC-PM-053	5.4	\$ 31,462.03	\$ 27,842.50	CAD	AP
Whelan Engineering	29	29-Sep-13	LC-PM-140	5.4	\$ 25,425.00	\$ 22,500.00	CAD	AP
SRL Consulting	2013-16	3-Oct-13	LCP00638	5.4	\$ 20,272.20	\$ 17,940.00	CAD	AP
Maria Veitch Expense	Aug 28/13	3-Oct-13	Tclaim	5.4	\$ 606.65	\$ 536.86	CAD	AP
Osler	11562909	3-Oct-13	15089-OB	5.4	\$ 1,060.96	\$ 938.90	CAD	AP
McInnes Cooper	2013021557	4-Oct-13	15168-OB	5.4	\$ 11,449.16	\$ 10,132.00	CAD	AP
McInnes Cooper	2013021556	4-Oct-13	15168-OB	5.4	\$ 33,100.19	\$ 29,292.20	CAD	AP
NSB Energy Inc	2013-581	4-Oct-13	LCP01304	5.4	\$ 37,742.00	\$ 33,400.00	CAD	AP
Nexus Energy Inc	NEI-NEL-0019	5-Oct-13	LC-PM-102	5.4	\$ 22,600.00	\$ 20,000.00	CAD	AP
VF Solutions	VFS-NLCP-EXP-SEP13-001	9-Oct-13	LC-PM-053	5.4	\$ 8,336.02	\$ 7,377.01	CAD	AP
Rosanne Williams Expense Claim	Sept6/13	10-Oct-13	Tclaim	5.4	\$ 42.02	\$ 37.19	CAD	AP
DeBourke Enterprises	2013-009	10-Oct-13	LC-PM-110	5.4	\$ 20,136.60	\$ 17,820.00	CAD	AP

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Inmarsat	R101079201308	11-Oct-13	LCPO0983	5.4	\$ 28.74	\$ 28.74	USD	AP
Golder Associates	566179	11-Oct-13	LC-EV-088	5.4	\$ 14,141.95	\$ 12,515.00	CAD	AP
SFO Subsea Inc	TE20130922	11-Oct-13	LC-PM-051	5.4	\$ 6,486.21	\$ 5,740.01	CAD	AP
3266195 Nova Scotia	201308	11-Oct-13	LC-PM-108	5.4	\$ 28,928.00	\$ 25,600.00	CAD	AP
LIL LP/ Intercompany	0002	11-Oct-13	75	5.4	\$ 1,130.00	\$ 1,000.00	CAD	AP
LIL LP/ Intercompany	0015	11-Oct-13	75	5.4	\$ 5,215,472.11	\$ 4,615,462.04	CAD	AP
Noramtec	180373	12-Oct-13	LCP01611	5.4	\$ 11,390.40	\$ 10,080.00	CAD	AP
Noramtec	180371	12-Oct-13	LCP01293	5.4	\$ 14,238.00	\$ 12,600.00	CAD	AP
Noramtec	180371	12-Oct-13	LCP01293	5.4	\$ 14,238.00	\$ 12,600.00	CAD	AP
Provincial Aerospace	C0001142	12-Oct-13	LC-SB-002	5.4	\$ 30,433.16	\$ 26,932.00	CAD	AP
VF Solutions	VFS-NLCP-EXP-SEPT13-002	13-Oct-13	LC-PM-053	5.4	\$ 3,399.80	\$ 3,008.67	CAD	AP
Nexus Energy Inc	NEI-NEL-T0006	13-Oct-13	LC-PM-102	5.4	\$ 761.29	\$ 673.71	CAD	AP
Newfound Recruiting	130904-1290	13-Oct-13	LCP01547	5.4	\$ 18,306.00	\$ 16,200.00	CAD	AP
Nexans	195153294	16-Oct-13	LC-SB-003	5.4	\$ 4,307,633.53	\$ 3,812,065.07	CAD	AP
Dovre Canada Ltd.	33222	17-Oct-13	LCP00582	5.4	\$ 16,800.28	\$ 14,867.50	CAD	AP
Dovre Canada Ltd.	33257	17-Oct-13	LCP00586	5.4	\$ 14,530.67	\$ 12,859.00	CAD	AP
Dovre Canada Ltd.	33449	17-Oct-13	LCP00763	5.4	\$ 22,475.70	\$ 19,890.00	CAD	AP
Dovre Canada Ltd.	33288	17-Oct-13	LCP01410	5.4	\$ 19,933.20	\$ 17,640.00	CAD	AP
VF Solutions	VFS-NLCP-EXP-SEPT13-003	18-Oct-13	LC-PM-053	5.4	\$ 760.22	\$ 672.76	CAD	AP
Amec	G85208	18-Oct-13	LC-SB-017	5.4	\$ 76,026.40	\$ 67,280.00	CAD	AP
Yankee Point - Hydro	12-Sep	19-Oct-13	LCP00128	5.4	\$ 116.62	\$ 103.20	CAD	AP
Hatch	90461410	19-Oct-13	LCP01647	5.4	\$ 9,944.00	\$ 8,800.00	CAD	AP
Hatch	90461405	19-Oct-13	LCP01305	5.4	\$ 44,790.70	\$ 39,637.79	CAD	AP
Hatch	90461337	19-Oct-13	LCP01295	5.4	\$ 33,462.40	\$ 29,612.74	CAD	AP
Direct Horizontal Drilling	est	20-Oct-13	LC-SB-022	5.4	\$ 39,550.00	\$ 35,000.00	CAD	AP
SRL Consulting	Est	30-Oct-13	LC-PM-071	5.4	\$ 25,990.00	\$ 23,000.00	CAD	AP
VF Solutions	Est	30-Oct-13	LC-PM-053	5.4	\$ 33,900.00	\$ 30,000.00	CAD	AP
SFO Subsea Inc	Est	30-Oct-13	LC-PM-053	5.4	\$ 33,900.00	\$ 30,000.00	CAD	AP
Robco	Est	30-Oct-13	LC-PM-059	5.4	\$ 35,030.00	\$ 31,000.00	CAD	AP
Nexus Energy Inc	Est	30-Oct-13	LC-PM-102	5.4	\$ 15,255.00	\$ 13,500.00	CAD	AP
Whelan Engineering	Est	30-Oct-13	LC-PM-140	5.4	\$ 22,600.00	\$ 20,000.00	CAD	AP
C&T Enterprises	est	31-Oct-13	LC-SB-021	5.4	\$ 158,200.00	\$ 140,000.00	CAD	AP
Salaries	Est	31-Oct-13	TBD	5.4	\$ 26,300.00	\$ 23,274.34	CAD	AP
Nalcor Energy	August	31-Oct-13	TBD	5.4	\$ (5,216,817.51)	\$ (4,616,652.66)	CAD	AP
Hatch	90454170	1-Oct-13	LCP01471	5.4	\$ (53,251.58)	\$ (47,125.29)	CAD	Carry forward last cash call
Hatch	90456546	1-Oct-13	LCP01471	5.4	\$ (37,787.20)	\$ (33,440.00)	CAD	Carry forward last cash call
Hatch	90456537	1-Oct-13	LCP01305	5.4	\$ (27,653.36)	\$ (24,472.00)	CAD	Carry forward last cash call
Hatch	90456536	1-Oct-13	LCP01295	5.4	\$ (26,244.79)	\$ (23,225.48)	CAD	Carry forward last cash call
LGL	13576	1-Oct-13	LC-EV-049	5.4	\$ (1,002.34)	\$ (887.03)	CAD	Carry forward last cash call
Amec	G44453	1-Oct-13	LC-EV-108	5.4	\$ (50,940.40)	\$ (45,080.00)	CAD	Carry forward last cash call
McInnes Cooper	2013006697	3-May-13	15168-0B	5.5	\$ 89,015.30	\$ 78,774.60	CAD	AP
McInnes Cooper	2013010325	1-Jun-13	15168-0B	5.5	\$ 3,995.68	\$ 3,536.00	CAD	AP
McInnes Cooper	2013013391	5-Jul-13	15168-0B	5.5	\$ 960.50	\$ 850.00	CAD	AP
McInnes Cooper	2013016181	23-Aug-13	15168-0B	5.5	\$ 67,191.03	\$ 59,461.09	CAD	AP
BWC Consulting	25	25-Aug-13	LC-PM-072	5.5	\$ 19,364.40	\$ 17,136.64	CAD	AP
Erimus	2013-1011	3-Oct-13	15025-0B	5.5	\$ 67,589.30	\$ 59,813.54	CAD	AP
McInnes Cooper	2013021554	4-Oct-13	15168-0B	5.5	\$ 50,680.26	\$ 44,849.79	CAD	AP
McInnes Cooper	2013021530	4-Oct-13	15168-0B	5.5	\$ 48,040.03	\$ 42,513.30	CAD	AP
A Taste of Class	4841	11-Oct-13	LCP00606	5.5	\$ 49.20	\$ 43.54	CAD	AP
A Taste of Class	4839	11-Oct-13	LCP00606	5.5	\$ 49.20	\$ 43.54	CAD	AP

Lower Churchill Project
PRISM Cash Call Report
For Month Ending the 31-Oct-2013

Vendor	Invoice #	Payment Due Date	Contract/ PO #	CCA Code	Invoice Amount (incl HST)	Invoice Amount (Excl. HST)	Currency	Data Source
TransGrid Solution	2382	11-Oct-13	LC-EN-027	5.5	\$ 16,272.00	\$ 2,475.00	CAD	AP
TransGrid Solution	2383	11-Oct-13	LC-EN-027	5.5	\$ 1,349.38	\$ 1,194.14	CAD	AP
A Taste of Class	4836	19-Oct-13	LCP00606	5.5	\$ 49.20	\$ 43.54	CAD	AP
Salaries	Est	31-Oct-13	TBD	5.5	\$ 6,100.00	\$ 5,398.23	CAD	AP
McInnes Cooper	2013006697	1-Oct-13	15168-OB	5.5	\$ (89,015.30)	\$ (78,774.60)	CAD	Carry forward last cash call
McInnes Cooper	2013010325	1-Oct-13	15168-OB	5.5	\$ (3,995.68)	\$ (3,536.00)	CAD	Carry forward last cash call
McInnes Cooper	2013013391	1-Oct-13	15168-OB	5.5	\$ (960.50)	\$ (850.00)	CAD	Carry forward last cash call
McInnes Cooper	2013016181	1-Oct-13	15168-OB	5.5	\$ (67,191.03)	\$ (59,461.09)	CAD	Carry forward last cash call
BWC Consulting	25	1-Oct-13	LC-PM-072	5.5	\$ (19,364.40)	\$ (17,136.64)	CAD	Carry forward last cash call
CBCL Ltd	424101	26-Jul-13	LC-EN-042	5.6	\$ 51,541.45	\$ 45,611.90	CAD	AP
CBCL Ltd	424434	17-Aug-13	LC-EN-042	5.6	\$ 21,277.30	\$ 18,829.47	CAD	AP
Hatch	90456534	12-Sep-13	LCP01312	5.6	\$ 27,653.36	\$ 24,472.00	CAD	AP
CBCL Ltd	424869	18-Sep-13	LC-EN-042	5.6	\$ 1,822.13	\$ 1,612.50	CAD	AP
McInnes Cooper	2013021549	4-Oct-13	15168-OB	5.6	\$ 22,556.04	\$ 19,961.10	CAD	AP
NSB Energy Inc	2013-584	4-Oct-13	LCP01558	5.6	\$ 58.31	\$ 51.60	CAD	AP
PF Collins	01IN0000683753	13-Oct-13	LC-PM-124	5.6	\$ 540.14	\$ 478.00	CAD	AP
PF Collins	01IN0000683805	13-Oct-13	LC-PM-124	5.6	\$ 2,316.50	\$ 2,050.00	CAD	AP
Hatch	90461273	19-Oct-13	LCP01312	5.6	\$ 32,019.68	\$ 28,336.00	CAD	AP
Salaries	Est	31-Oct-13	TBD	5.6	\$ 20,000.00	\$ 17,699.12	CAD	AP
CBCL Ltd	424101	1-Oct-13	LC-EN-042	5.6	\$ (51,541.45)	\$ (45,611.90)	CAD	Carry forward last cash call
CBCL Ltd	424434	1-Oct-13	LC-EN-042	5.6	\$ (21,277.30)	\$ (18,829.47)	CAD	Carry forward last cash call
Hatch	90456534	1-Oct-13	LCP01312	5.6	\$ (27,653.36)	\$ (24,472.00)	CAD	Carry forward last cash call
CBCL Ltd	424869	1-Oct-13	LC-EN-042	5.6	\$ (1,822.13)	\$ (1,612.50)	CAD	Carry forward last cash call
McInnes Cooper	2013016185	25-Sep-13	15168-OB	5.9	\$ 12,177.56	\$ 10,776.60	CAD	AP
Fasken	751516	26-Sep-13	14672-OB	5.9	\$ 378,170.73	\$ 334,664.36	CAD	AP
Fasken	751051	26-Sep-13	14672-OB	5.9	\$ 32,307.10	\$ 28,590.35	CAD	AP
James Meaney Visa	June25/13	27-Sep-13	PCard	5.9	\$ 910.45	\$ 805.71	CAD	AP
McInnes Cooper	2013021539	4-Oct-13	15168-OB	5.9	\$ 25,819.47	\$ 22,849.09	CAD	AP
McInnes Cooper	2013021544	4-Oct-13	15168-OB	5.9	\$ 5,707.40	\$ 5,050.80	CAD	AP
McInnes Cooper	2013021559	4-Oct-13	15168-OB	5.9	\$ 9,400.47	\$ 8,319.00	CAD	AP
Cassels Brock	1897636	19-Oct-13	LCP01512	5.9	\$ 206,744.63	\$ 182,959.85	CAO	AP
Blair Franklin	134	19-Oct-13	LCP01513	5.9	\$ 54,682.70	\$ 48,391.77	CAD	AP
Blair Franklin	133	19-Oct-13	LCP01513	5.9	\$ 15,396.25	\$ 13,625.00	CAD	AP
Salaries	Est	31-Oct-13	TBD	5.9	\$ 100.00	\$ 88.50	CAD	AP

Total Cash Call Prism CAD - October

\$ 11,625,056.77

Total Cash Call Prism USD - October

\$ 59,616.24