
MF/LTA PROJECT FINANCE AGREEMENT

AMONG

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

AND

**BNY TRUST COMPANY OF CANADA,
as Issuer Trustee of
MUSKRAT FALLS/LABRADOR TRANSMISSION ASSETS FUNDING TRUST,
as a GAA Finance Party**

AND

**MUSKRAT FALLS CORPORATION,
as a Credit Party**

AND

**LABRADOR TRANSMISSION CORPORATION
as a Credit Party**

DATED AS OF NOVEMBER 29, 2013

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MUSKRAT/LTA 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 Issuer Trustee of
MUSKRAT FALLS/LABRADOR TRANSMISSION ASSETS
FUNDING TRUST, as a GAA Finance Party

AND: **MUSKRAT FALLS CORPORATION**, as a Credit Party

AND: **LABRADOR TRANSMISSION CORPORATION**, as a Credit Party

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 Credit Parties pursuant to this Agreement so that the Credit Parties 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 hereof entered into among, *inter alios*, the Collateral Agent, the Lead Arranger, the Funding Vehicle 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 "**Muskrat/LTA Project Finance Agreement**", "**this Muskrat/LTA 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 (other than relating to the constitution or existence of the Funding Vehicle) by or with respect to (a) the Funding Vehicle; or (b) the Issuer 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 (other than relating to the constitution or existence of the Funding Vehicle) by or with respect to the Issuer Trustee as trustee of the Funding Vehicle. It is hereby acknowledged and agreed that, subject to the FV Declaration of Trust, the Issuer Trustee may appoint any Person to manage any of the Assets of the Funding Vehicle and to appoint any agent to transact any

business on behalf of the Funding Vehicle, and therefore, any acts to be performed by the Issuer 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	NAME
A.	Funds Release Request
B.	Material Project Documents and Authorizations
C.	Applicable Laws
D.	Environment
E.	Sources and Uses of Funds
F.	Litigation
G.	Corporate Structure and Location of Assets
H.	Aboriginal Matters
I.	IE Certificate
J.	Operating Report
K.	Construction Report
L.	Commissioning Certificate
M.	Commissioning Confirmation
N.	Distribution Certificate
O.	Final Funding Request

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

1.8 **Time of the Essence**

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

ARTICLE 2

JOINT AND SEVERAL OBLIGATIONS

2.1 **Joint and Several Obligations**

Each of the Credit Parties hereby confirms and agrees that all obligations of the Credit Parties hereunder shall be joint and several obligations of the Credit Parties (and not joint obligations alone). The Collateral Agent and the GAA Finance Parties shall not be bound to exhaust their recourses against a Credit Party or others or any Liens or Guarantees they may at any time hold in connection with the Muskrat/LTA Secured Obligations before

being entitled to payment from the other Credit Party. The liability of each Credit Party hereunder shall not be released, reduced or affected by reason of any waiver, compromise, or arrangement granted by the Collateral Agent or any GAA Finance Party to the other Credit Party without the consent of such Credit Party or by reason of any release of, or any stay of Proceedings against that or the other Credit Party pursuant to any Insolvency Law or any similar Law or any Law affecting creditors' rights generally or by reason of any circumstance which might otherwise constitute a defence available to, or a discharge of, any Credit Party. Neither Credit Party shall be subrogated to any right of the Collateral Agent until (i) indefeasible payment in full of all the Muskrat/LTA Secured Obligations, including, for clarity, and without duplication, all repayments required to be made to Canada under the GAA, and (ii) the Funding Vehicle 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 Muskrat/LTA Project Finance Documents.

ARTICLE 3

MUSKRAT/LTA CONSTRUCTION FACILITY

3.1 Grant of Muskrat/LTA Construction Facility

The Funding Vehicle agrees, upon the terms and subject to the conditions of this Agreement, to lend to the Credit Parties an amount of up to but not exceeding, in the aggregate, the Muskrat/LTA Construction Facility which shall be available in three tranches, namely Tranche A, Tranche B and Tranche C.

3.2 Purpose

The single Advance under the Muskrat/LTA Construction Facility shall be used by the Credit Parties exclusively for the purpose of financing the Project Costs.

3.3 Facility Limit

3.3.1 As of the Closing Date, the aggregate amount of the Muskrat/LTA Construction Facility is CDN\$2,600,000,000, divided as follows as amongst the three Tranches: (i) an amount equal to the aggregate amount of the FV Bond - Series A will be available as Tranche A; (ii) an amount equal to the aggregate amount of the FV Bond - Series B will be available as Tranche B; and (iii) an amount equal to the aggregate amount of the FV Bond - Series C will be available as Tranche C.

3.3.2 Where under any of the terms hereof the Muskrat/LTA 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.

3.4 **Nature and Availability**

- 3.4.1 The Muskrat/LTA Construction Facility is available on a non-revolving basis such that the Credit Parties may not reborrow the whole or any part of the Advance previously repaid, any such repayment automatically reducing the Muskrat/LTA Construction Facility (and, rateably, each Tranche) by an amount equal to the amount repaid.
- 3.4.2 The Muskrat/LTA Construction Facility is available in Canadian Dollars only by way of a single Drawdown.

3.5 **Borrowing Procedures**

In order to obtain the Drawdown on the Drawdown Date hereunder, the Credit Parties must deliver to the Collateral Agent the Draw Request at the latest by 10:00 a.m., NL standard time, at least two (2) Business Days prior to the proposed Drawdown Date. The Drawdown shall be apportioned rateably amongst each of the Tranches. Once delivered, the Draw Request may not subsequently be revoked or withdrawn by the Credit Parties.

3.6 **Repayments**

The Credit Parties hereby agree to repay on the:

- 3.6.1 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, up to, but excluding the Tranche A Maturity Date;
- 3.6.2 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, up to, but excluding the Tranche B Maturity Date; and
- 3.6.3 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, up to, but excluding the Tranche C Maturity Date.

3.7 **Voluntary Prepayments**

- 3.7.1 The Credit Parties may voluntarily prepay at any time the whole (and the whole only) of the Muskrat/LTA Loan by paying to the Collateral Agent, for the account of the Funding Vehicle, before 1:00 p.m., NL standard time, on the Muskrat/LTA Voluntary Prepayment Date an amount equal to the sum of (i) the aggregate principal amount of the Muskrat/LTA Construction Loan;

(ii) accrued and unpaid interest on such principal amount, in an aggregate amount which is equal to the aggregate amount of interest accrued on the FV Bonds which is payable on the FV Bond Redemption Date; and (iii) the Muskrat/LTA Make-Whole Amount.

3.7.2 The Credit Parties shall issue a Muskrat/LTA Voluntary Prepayment Notice at the latest by 10:00 a.m., NL standard time, at least 35 days prior to the proposed Muskrat/LTA Voluntary Prepayment Date. Once delivered, no Muskrat/LTA Voluntary Prepayment Notice may be revoked or withdrawn by the Credit Parties.

3.7.3 Upon a Muskrat/LTA Voluntary Prepayment Notice having been so given, the Muskrat/LTA Loan will thereupon be due and payable in an amount equal to that set forth in subsection 3.7.1 on the Muskrat/LTA Voluntary Prepayment Date, in the same manner and with the same effect as if such date were the maturity date of the Muskrat/LTA Loan, anything herein to the contrary notwithstanding, and from and after such Muskrat/LTA Voluntary Prepayment, if the moneys necessary to prepay the Muskrat/LTA Loan are paid as herein provided, the Muskrat/LTA Loan will not be considered outstanding hereunder and interest in respect of the Muskrat/LTA Construction Facility will cease.

3.8 **Sinking Fund Account Payments**

The Credit Parties hereby agree 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 3.9 and required to be imputed towards such Sinking Fund Payment in accordance with the provisions of Section 3.9. Amounts so deposited in the Sinking Fund Account shall only be released by the Collateral Agent in accordance with Section 8.17.

3.9 **Prepayment of Sinking Fund Account**

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

3.9.1 there remains a balance in the Project Funding Accounts, the Project Operating Accounts and the Working Capital Reserve Account, the aggregate amount of such balance, as calculated pursuant to paragraph (xxix) of the definition of "Final Funding Request" shall on the date of the Funds Release relating to the Final Funding Request to be made hereunder, be transferred to the Sinking Fund Account; and

3.9.2 the Muskrat/LTA Proceeds Account Balance is greater than nil, a Funds Release shall be deemed to have been requested pursuant to the Funds Release Request delivered in connection with the Final Funding Request in an amount

sufficient to reduce the Muskrat/LTA Proceeds Account Balance to nil, and such amount shall be deposited into the Sinking Fund Account;

and the amounts contemplated in subsections 3.9.1 and 3.9.2 shall be imputed to the Sinking Fund Payments on each Sinking Fund Deposit Date in the chronological order thereof.

ARTICLE 4

INTEREST

4.1 Interest

- 4.1.1 The Credit Parties hereby covenant and agree to pay to the Collateral Agent, for the account of the Funding Vehicle, interest on each Tranche of the Muskrat/LTA Construction Loan at an annual rate equal to the Applicable Interest Rate applicable to such Tranche.
- 4.1.2 The Muskrat/LTA Construction Loan shall bear interest from and including the date of the Advance hereunder at a rate equal to the Applicable Interest Rate payable semi-annually in arrears on each Muskrat/LTA Interest Payment Date.
- 4.1.3 Interest is payable on each Muskrat/LTA Interest Payment Date (i) in respect of the first Muskrat/LTA Interest Payment Date, in an amount of interest accrued and to accrue from the date of the Advance hereunder up to and including the Business Day immediately following such Muskrat/LTA Interest Payment Date, and (ii) in respect of any Muskrat/LTA Interest Payment Date thereafter, in an amount of interest accrued from the immediately preceding Muskrat/LTA Interest Payment Date up to and including such subsequent Muskrat/LTA Interest Payment Date.
- 4.1.4 Interest on all overdue interest on each Tranche of the Muskrat/LTA 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.
- 4.1.5 Interest payable on each Tranche of the Muskrat/LTA Construction Loan shall be payable after as well as before maturity and after as well as before default and judgement.
- 4.1.6 As additional interest payable on the Muskrat/LTA Construction Loan, the Credit Parties hereby covenant and agree to pay to the Collateral Agent, for the account of the Funding Vehicle, on an annual basis, on the last Business Day of each calendar year, an amount equal to CDN\$10,000 in accordance with their respective Project Rateable Share.

ARTICLE 5**MANNER OF PAYMENTS****5.1 Apportionment of Payments between Credit Parties**

The Credit Parties hereby acknowledge and agree, amongst themselves, that any payment or repayment of principal or interest on the Muskrat/LTA Construction Loan and of fees and other amounts due and to become due hereunder with respect to the Muskrat/LTA Construction Loan and the Muskrat/LTA Construction Facility, must be apportioned and made, as between the Credit Parties, on the basis of their respective Project Rateable Share of any such payment or repayment, the whole without in any way whatsoever limiting or affecting the joint and several nature of the obligations of the Credit Parties hereunder, as contemplated in Article 2, including, without limitation, their joint and several obligations (and not joint obligations only) to make any such payment or repayment.

5.2 Payments to Collateral Agent Only

5.2.1 All payments or repayments of principal and interest on the Muskrat/LTA Construction Loan and of fees and other amounts due and to become due hereunder with respect to the Muskrat/LTA Construction Loan and the Muskrat/LTA Construction Facility by the Credit Parties 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 Funding Vehicle.

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

5.3 Payment on any Business Day by 3:00 p.m., Toronto 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 6**SECURITY****6.1 Security by Muskrat and Labrador Transco**

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

- 6.1.1 execute a collateral trust deed in favour of the Muskrat/LTA Security Trustee (a "**Muskrat/LTA Collateral Trust Deed**");
- 6.1.2 issue a debenture under the terms of the Muskrat/LTA Collateral Trust Deed to which it is a party, to and in favour of the Muskrat/LTA Security Trustee;
- 6.1.3 issue under the terms of the Muskrat/LTA 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\$2,600,000,000 in the case of Muskrat and CDN\$2,600,000,000 in the case of Labrador Transco;
- 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 Muskrat/LTA Security Trustee with respect to its fee simple interests, leasehold interests, easement rights and Statutory Easement rights;
- 6.1.6 execute an assignment agreement in favour of the Muskrat/LTA Security Trustee with respect to all insurance;
- 6.1.7 execute a blocked account agreement in favour of the Muskrat/LTA Security Trustee with respect to its Project Accounts;
- 6.1.8 deliver to the Collateral Agent the consent to liens and step-in agreement in favour of the Muskrat/LTA Security Trustee contemplated in the PPA, the GIA 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 Muskrat or Labrador Transco naming the Muskrat/LTA 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 Nalcor**

As general and continuing security for the due payment and performance of the Muskrat/LTA Secured Obligations, Nalcor shall pledge in favour of Canada the Capital Stock it holds in each Credit Party, it being understood that the recourses of Canada pursuant to such pledge shall be limited to such pledged Capital Stock of the Credit Parties, with no personal recourse to Nalcor.

6.3 **Registration**

Each of the Credit Parties shall register, or shall cause to be registered, and hereby authorizes the Collateral Agent and the Collateral Agent's Counsel to register the Muskrat/LTA 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 Muskrat/LTA Security Documents and their validity, effect, perfection and priority at all times.

6.4 **Further Assurances**

On request from the Collateral Agent from time to time, the Credit Parties shall execute or cause to be executed, all such agreements, documents and instruments (including any amendment to any Muskrat/LTA 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 Muskrat/LTA Project Finance Documents or to facilitate realization under such Liens.

6.5 **Discharge of Certain Security**

The Funding Vehicle authorizes the Collateral Agent to discharge the Liens created pursuant to the Muskrat/LTA Security Documents, but only in respect of any Assets disposed of in compliance with the provisions of this Agreement.

6.6 **Survival of Security**

The Credit Parties hereby acknowledge and agree that none of the Liens created pursuant to the Muskrat/LTA Security Documents shall be released until all Muskrat/LTA 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 shall be made by the Funding Vehicle pursuant to the Muskrat/LTA Construction Facility until the following conditions precedent (the "**Muskrat/LTA 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;
 - 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 and Nalcor of its obligations under the Muskrat/LTA Project Finance Documents, the PPA, the GIA, the Muskrat Step-In Agreements and the LTA Step-In Agreement, 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 Muskrat, Labrador Transco, NLH and Nalcor executing the Muskrat/LTA Project Finance Documents, the PPA, the GIA, the Muskrat Step-In Agreements and the LTA Step-In Agreement;
 - 7.1.1.4 in respect of each of the Credit Parties, 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; and
 - 7.1.1.5 orders in council from NL Crown or other forms of provincial government authorizations for purposes of authorizing the Muskrat/LTA 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 each Credit Party, 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 Projects 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 Credit Parties, 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 Projects 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 Equity Agreements; and
 - 7.1.5.5 the Initial Material Project Documents and the Authorizations referred to in Parts A (i) and (ii) and Parts B (i) and (ii) of Schedule "B";
- 7.1.6 the GAA Finance Parties shall have completed a physical inspection of the sites of the Projects and shall have been satisfied by the results of such inspection;
- 7.1.7 the Collateral Agent shall have received, in form and substance satisfactory to the Collateral Agent, a certificate with respect to each Project executed by a Responsible Officer of Devco and a Responsible Officer of each Credit Party, in his capacity as an officer of, respectively, Devco and such Credit Party, and without personal liability, attesting that:
 - 7.1.7.1 the MF Project Budget and MF Project Schedule are reasonable estimates of the costs and time periods respectively required in

order for the MF Plant to be built in accordance with the MF Project Plans and for Commissioning to be achieved by the Date Certain;

- 7.1.7.2 the forward-looking financial modeling information constructed in Excel[®] with respect to the Credit Parties is based upon assumptions believed to be reasonable by Muskrat as of the date that they were prepared;
- 7.1.7.3 the construction of the MF Plant is, in all material respects, in compliance with the MF 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 MF Plant to perform in compliance, in all material respects, with all applicable Material Project Documents and Authorizations pertaining to the MF Plant;
- 7.1.7.4 Muskrat has or has had obtained all Authorizations which, under Applicable Law are necessary to obtain in connection with the MF Plant and the applicable Initial Material Project Documents, save as disclosed in Part A (v) and Part B (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;
- 7.1.7.5 the LTA Project Budget and LTA Project Schedule are reasonable estimates of the costs and time periods respectively required in order for the LTA to be built in accordance with the LTA Project Plans and for Commissioning to be achieved by the Date Certain;
- 7.1.7.6 the forward-looking financial modeling information constructed in Excel[®] with respect to the Credit Parties is based upon assumptions believed to be reasonable by Labrador Transco as of the date that they were prepared;
- 7.1.7.7 the construction of the LTA is, in all material respects, in compliance with the LTA 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 LTA to perform in compliance, in all material respects, with all applicable Material Project Documents and Authorizations pertaining to the LTA; and
- 7.1.7.8 Labrador Transco has or has had obtained all Authorizations which, under Applicable Law are necessary to obtain in connection with the LTA and the applicable Initial Material Project Documents, save as disclosed in Part A (v) and Part B (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;

- 7.1.8 the Collateral Agent shall have received in form and substance satisfactory to the Collateral Agent, a final report from the Independent Engineer, addressing the Projects as set out in the undated execution plan issued by the Independent Engineer;
- 7.1.9 the Collateral Agent shall have received, in form and substance satisfactory to the Collateral Agent, a final report from the Insurance Consultant, addressing the Projects as required by the scope of work and proposal dated August 28, 2013 issued by the Insurance Consultant;
- 7.1.10 each Credit Party shall have or have had obtained, and by way of access to the data room for the Projects, the Collateral Agent shall have been given access to copies of, all Authorizations which under Applicable Law are necessary to obtain or have obtained in connection with its Project, the transactions contemplated by the Muskrat/LTA Project Finance Documents and the applicable Initial Material Project Documents (other than as disclosed in Part A (v) and Part B (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 Credit Parties to achieve Commissioning by the Date Certain;
- 7.1.11 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";
- 7.1.12 there shall be no litigation, proceedings, counterclaims or investigations pending or, to the Knowledge of either Credit Party, 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 Muskrat/LTA Project Finance Documents, the Initial Material Project Documents or any portion of the Projects, or which would result in a Material Adverse Effect;
- 7.1.13 to the Knowledge of the Credit Parties, 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 Projects;
- 7.1.14 the Credit Parties shall have established with the Collateral Agent all Project Accounts required to be established by the Closing Date;

- 7.1.15 the Collateral Agent shall have received the Muskrat/LTA Indicative Credit Ratings;
- 7.1.16 the Collateral Agent shall have received the Nalcor Sanction Resolution and the Emera Sanction Resolution;
- 7.1.17 the Collateral Agent shall have received a record of engagement with aboriginal communities relating to the LCP;

MATERIAL PROJECT DOCUMENTS AND OTHER DOCUMENTS

- 7.1.18 the Collateral Agent shall have received copies of the signed execution version of each of the Initial Material Project Documents, the Muskrat Step-In Agreements and the LTA 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 A (i) and Part B (i) of Schedule "B" and the letters of credit, bonds or other performance security required to be delivered under the Initial Material Project Documents;
- 7.1.19 the Collateral Agent shall be satisfied that each of the Muskrat/LTA Project Finance Documents, the Initial Material Project Documents, the Muskrat Step-In Agreements, the LTA Step-In Agreement and the Authorizations referred to in Part A(i) and Part B(i) of Schedule "B" is in full force and effect and that no material default has occurred and is continuing thereunder;
- 7.1.20 the Collateral Agent shall have received the IGA, duly executed by NL Crown and Canada;
- 7.1.21 the Collateral Agent shall be satisfied that each Credit Party is the sole legal and beneficial owner of its real and personal Assets then owned by it and that same are free and clear of all Liens except Permitted Encumbrances;

LEGISLATIVE MATTERS

- 7.1.22 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 from NL Crown relating to the Public Utility Board;

ENVIRONMENTAL MATTERS

- 7.1.23 the Collateral Agent shall have received the Federal Environmental Assessment and the Provincial Environmental Assessment with respect to the Projects;

OTHER LOWER CHURCHILL PROJECTS

- 7.1.24 the Collateral Agent has received confirmation that the LIL Initial Conditions Precedent (other than those set forth in subsection 7.1.24 of the LIL Project

Finance Agreement) have been met to the satisfaction of the LIL Collateral Agent, or, as the case may be, waived by the LIL Collateral Agent;

- 7.1.25 the IT Initial Conditions Precedent (other than those set forth in subsection 7.1.1 of the IT Project Finance Agreement) have been met to the satisfaction of the LIL Collateral Agent, or, as the case may be, waived by the LIL Collateral Agent;
- 7.1.26 the Collateral Agent shall have received a copy of the indicative credit rating provided by the Credit Rating Agencies for the Maritime Link;
- 7.1.27 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);
- 7.1.28 the Collateral Agent shall have received the NS IGA, duly executed by NS and Canada;
- 7.1.29 the Collateral Agent shall have received the Emera Guarantee, duly executed by Emera and Canada;

TITLE MATTERS

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

MATTERS RELATING TO SECURITY

- 7.1.32 the Collateral Agent shall have received all Muskrat/LTA 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 Credit Parties' Assets (other than the Excluded Collateral), and in the Capital Stock of the Credit Parties, subject only to Permitted Encumbrances, have been effected;

- 7.1.33 the Collateral Agent shall have received results of searches of public records by the Credit Parties' 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 Credit Parties, the personal property Assets of the Credit Parties and their Capital Stock, 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 7.1.34;
- 7.1.34 the Collateral Agent shall have received evidence, in form and substance satisfactory to the Collateral Agent, that concurrently with the making of the single Drawdown hereunder, it shall receive releases and discharges with respect to all Liens, other than Permitted Encumbrances, affecting the Credit Parties, their respective Assets or their Capital Stock, duly executed by all of the Persons who benefit from such Liens or have been granted security on such Assets;

INSURANCE

- 7.1.35 the Collateral Agent shall have received, in form and substance satisfactory to it, copies of certificates of insurance evidencing all insurance covering each of the Credit Parties and required to be maintained by each of them pursuant to subsection 10.6.1 and naming the Collateral Agent and the Muskrat/LTA Security Trustee as additional insured and, if appropriate, as first loss payee, 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;
- 7.1.36 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 Muskrat/LTA Security Trustee as additional insured and, if appropriate, as first loss payee, accompanied with a standard mortgagee clause;

LEGAL OPINIONS

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

Such legal opinions shall cover such matters incident to the transactions contemplated by the Muskrat/LTA Project Finance Documents, the PPA, the GIA, the Muskrat Step-In Agreements and the LTA Step-In Agreement as the Collateral Agent may request, including the legality, validity, binding nature and enforceability of each such agreement;

COMPLIANCE AND DISBURSEMENT UNDER THE MUSKRAT/LTA CONSTRUCTION FACILITY

- 7.1.38 the representations and warranties made under this Agreement are true, accurate and complete in all material respects as at the Closing Date;
- 7.1.39 the Collateral Agent shall have received a certificate from each Credit Party as to matters of fact, in form and substance satisfactory to the Collateral Agent, dated the Closing Date and duly executed by a Responsible Officer of such Credit Party, acting in his capacity as an officer of such Credit Party and without personal liability; and
- 7.1.40 no Muskrat/LTA Event of Default shall have occurred and be continuing.

7.2 Conditions Precedent to Single Advance under the Muskrat/LTA Construction Facility

No Advance shall be made by the Funding Vehicle pursuant to the Muskrat/LTA Construction Facility until the Muskrat/LTA Initial Conditions Precedent and the following conditions precedent (the "**Muskrat/LTA Drawdown Conditions Precedent**") shall have been met to the satisfaction of the Collateral Agent or, as the case may be, waived by the Collateral Agent:

- 7.2.1 the Collateral Agent shall have received confirmation that the conditions precedent to the single Advance under the IT Project Finance Agreement have been met to the satisfaction of the LIL Collateral Agent, or, as the case may be, waived by the LIL Collateral Agent (other than those set forth in subsection 7.2.1 of the IT Project Finance Agreement);
- 7.2.2 the Collateral Agent shall have received the single Draw Request within the time periods herein provided requesting the single Drawdown on the Drawdown Date in an amount equal to the Muskrat/LTA Construction Facility;
- 7.2.3 the representations and warranties made under this Agreement are true, accurate and complete in all material respects as at the Closing Date;
- 7.2.4 no Muskrat/LTA Event of Default shall have occurred and be continuing.

7.3 Conditions Precedent to First Funds Release from the Muskrat/LTA Proceeds Account Balance

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 Muskrat/LTA Initial Conditions Precedent and the Muskrat/LTA Drawdown Conditions Precedent having been met or, as the case may be, waived by the Collateral Agent, the Credit Parties can request a first Funds Release to be used exclusively for purposes of funding their respective Project Rateable Share of:

- 7.3.1 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 and the Lead Arranger is entitled to receive on or prior to the date of such Funds Release under the Funding Transaction Documents, this Agreement and any agreement with the Credit Parties entered into in connection therewith, 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 until the date of such Funds Release, including, for greater certainty, the lead arranger fees payable by the Credit Parties pursuant to the Commitment Letter and the Underwriting Agreement;
- 7.3.2 the reimbursement of all reasonable expenses and costs (including reasonable legal expenses and costs) which each of the Collateral Agent, the Funding Vehicle, the 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 Funds Release in connection with the Funding Transaction Documents or the Muskrat/LTA Project Finance Documents, and in respect of which any one thereof has requested the Credit Parties to reimburse same on the date of such Funds Release, 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 Funds Release in connection with the Muskrat/LTA 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 Funds Release;
- 7.3.3 the Working Capital Reserve Account in amount equal to the Minimum WCR Requirement;

provided, however, that the following conditions are met to the satisfaction of the Collateral Agent, or, as the case may be, waived by it:

FUNDING REQUEST

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

COMPLIANCE

7.3.6 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 at the date of such Funds Release; and

7.3.7 no Muskrat/LTA Event of Default shall have occurred and be continuing.

7.4 **Conditions Precedent to Other Funds Releases from the Muskrat/LTA Proceeds Account to Muskrat**

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 Muskrat/LTA Initial Conditions Precedent and the Muskrat/LTA Drawdown Conditions Precedent having been met or, as the case may be, waived by the Collateral Agent, Muskrat can request a Funds Release (other than the Punch List Costs Muskrat Funds Release, the Punch List Costs LTA Funds Release, the Demobilization Costs Muskrat Funds Release, the Demobilization Costs LTA Funds Release, the DSRA Muskrat Funds Release and the DSRA LTA Funds Release), and to the extent the provisions of Section 7.10 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 Funds Release to be used to pay Soft Costs comprised of the interest on the Muskrat/LTA Construction Loan and any Sinking Fund Payment, such portion of such Funds Release shall be advanced on the relevant Funds Release Date notwithstanding that the conditions set forth in this Section may not have been met, in whole or in part):

FUNDING REQUEST

7.4.1 the Collateral Agent and the Independent Engineer shall have received a Funding Request:

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

7.4.1.2 in the case of a Funding Request delivered in May or November, such 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 Muskrat 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 in Schedule "CC";

CONSTRUCTION REPORT

- 7.4.2 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 7.4.1, and in accordance with the provisions of Section 11.3, a copy of the most recent Construction Report;
- 7.4.3 the Collateral Agent shall have received one copy of the Independent Engineer's Confirmation pertaining to the MF Plant.

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

MATERIAL PROJECT DOCUMENTS

- 7.4.4 the Collateral Agent shall have received copies of the signed execution version of each of the Additional Material Project Documents entered into by Muskrat 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;
- 7.4.5 no material default shall have occurred and be continuing under any Material Project Document or any Authorization in effect with respect to the MF Plant;
- 7.4.6 Muskrat 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 MF Plant and the work currently being performed on the MF Plant, 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 Muskrat to achieve Commissioning by the Date Certain;

INSURANCE

- 7.4.7 with respect to any insurance required to be maintained pursuant to any of the Additional Material Project Documents referred to in subsection 7.4.4 and to the extent not already covered by the certificate delivered pursuant to subsection 7.1.35 or 7.1.36, 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 Muskrat/LTA Security Trustee as additional insured and, if appropriate, as first loss payee, accompanied with a standard mortgagee clause;

TITLE MATTERS

- 7.4.8 the Collateral Agent shall have received, in form and substance satisfactory to the Collateral Agent, updated execution search reports and certificates from the Credit Parties' Real Property Counsel, dated not earlier than three (3) Business Days' prior to the Funds Release 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 real property of Muskrat as is in existence as at such time;
- 7.4.9 the Collateral Agent shall have received a written confirmation from the Credit Parties' Real Property Counsel or such other evidence, in form and substance satisfactory to the Collateral Agent, that, as regards such of the real property of Muskrat as is in existence as at such time, all realty taxes that are due and payable have been fully paid;

COMPLIANCE AND FUNDS RELEASES

- 7.4.10 the Collateral Agent shall have received a Funds Release Request concurrently with the Funding Request to which it relates requesting a Funds Release on the Funds Release Date in an amount equal to the amount calculated pursuant to paragraph (vii) of the definition of "Funding Request" with respect to the Funding Requirements to which such Funds Release relates;
- 7.4.11 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 MF Plant have been paid all amounts owing to them pursuant to the applicable Material Project Documents, save for any amounts being claimed and contested, any amounts that have been paid into court or otherwise posted pursuant to such contestation, any required holdbacks and the amounts to be paid to them out of the proceeds of the requested Funds Release;
- 7.4.12 at any time (i) prior to the date on which the DER first becomes equal to 65%, 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 Funds Release shall be released in accordance with the terms hereof without any equity Investment being required and (ii) following the DER being equal to 65%, the Collateral Agent shall have received or there shall have been deposited in the Muskrat Project Funding Account, the MF Base Equity Contribution or MF Contingency Equity Contribution, as the case may be, required so as to maintain the DER at 65% immediately following the

requested Funds Release to Muskrat, taking into account the concurrent Funds Release to be made to Labrador Transco and the corresponding LTA Base Equity Contribution or LTA Contingency Equity Contribution made in connection therewith. The Collateral Agent acknowledges and agrees that in the case of clause (ii) of this subsection, any such release shall be made in accordance with and subject to Section 2.9 of the MFESA and Section 2.4 of the MFESG;

7.4.13 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 Funds Release; and

7.4.14 no Muskrat/LTA Event of Default shall have occurred and be continuing.

7.5 **Conditions Precedent to Other Funds Releases from the Muskrat/LTA Proceeds Account to Labrador Transco**

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 Labrador Transco/LTA Initial Conditions Precedent and the Muskrat/LTA Drawdown Conditions Precedent having been met or, as the case may be, waived by the Collateral Agent, Labrador Transco can request a Funds Release (other than the Punch List Costs LTA Funds Release, the Punch List Costs Muskrat Funds Release, the Demobilization Costs LTA Funds Release, the Demobilization Costs Muskrat Funds Release, the DSRA LTA Funds Release and the DSRA Muskrat Funds Release), and to the extent the provisions of Section 7.10 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 Funds Release to be used to pay Soft Costs comprised of the interest on the Muskrat/LTA Construction Loan and any Sinking Fund Payment, such portion of such Funds Release shall be advanced on the relevant Funds Release Date notwithstanding that the conditions set forth in this Section may not have been met, in whole or in part):

FUNDING REQUEST

7.5.1 the Collateral Agent and the Independent Engineer shall have received a Funding Request:

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

7.5.1.2 in the case of a Funding Request delivered in May or November, such 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 Labrador Transco 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 in Schedule "CC";

CONSTRUCTION REPORT

7.5.2 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 7.5.1, and in accordance with the provisions of Section 11.3, a copy of the most recent Construction Report;

7.5.3 the Collateral Agent shall have received one copy of the Independent Engineer's Confirmation pertaining to the LTA.

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

MATERIAL PROJECT DOCUMENTS

7.5.4 the Collateral Agent shall have received copies of the signed execution version of each of the Additional Material Project Documents entered into by Labrador Transco 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;

7.5.5 no material default shall have occurred and be continuing under any Material Project Document or any Authorization in effect with respect to the LTA;

7.5.6 Labrador Transco 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 LTA and the work currently being performed on the LTA, 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 Labrador Transco to achieve Commissioning by the Date Certain;

INSURANCE

7.5.7 with respect to any insurance required to be maintained pursuant to any of the Additional Material Project Documents referred to in subsection 7.5.4 and to the extent not already covered by the certificate delivered pursuant to

subsection 7.1.35 or 7.1.36, 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 Muskrat/LTA Security Trustee as additional insured and, if appropriate, as first loss payee, accompanied with a standard mortgagee clause;

TITLE MATTERS

- 7.5.8 the Collateral Agent shall have received, in form and substance satisfactory to the Collateral Agent, updated execution search reports and certificates from the Credit Parties' Real Property Counsel, dated not earlier than three (3) Business Days' prior to the Funds Release 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 real property of Labrador Transco as is in existence as at such time;
- 7.5.9 the Collateral Agent shall have received a written confirmation from the Credit Parties' Real Property Counsel or such other evidence, in form and substance satisfactory to the Collateral Agent, that, as regards such of the real property of Labrador Transco as is in existence as at such time, all realty taxes that are due and payable have been fully paid;

COMPLIANCE AND FUNDS RELEASES

- 7.5.10 the Collateral Agent shall have received a Funds Release Request concurrently with the Funding Request to which it relates requesting a Funds Release on the Funds Release Date in an amount equal to the amount calculated pursuant to paragraph (ix) of the definition of "Funding Request" with respect to the Funding Requirements to which such Funds Release relates;
- 7.5.11 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 LTA have been paid all amounts owing to them pursuant to the applicable Material Project Documents save for any amounts being claimed and contested, any amounts that have been paid into court or otherwise posted pursuant to such contestation, any required holdbacks and the amounts to be paid to them out of the proceeds of the requested Funds Release;
- 7.5.12 at any time (i) prior to the date on which the DER becomes equal to 65%, 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 Funds Release shall be released in accordance with the terms hereof without any equity Investment being required and (ii) following the DER being equal to 65%, the Collateral Agent shall have received or there should have been

deposited in the Labrador Transco Project Funding Account, the LTA Base Equity Contribution or LTA Contingency Equity Contribution, as the case may be, required so as to maintain the DER at 65% immediately following the requested Funds Release to Labrador Transco, taking into account the concurrent Funds Release to be made to Muskrat and the corresponding Muskrat Base Equity Contribution or Muskrat Contingency Equity Contribution made in connection therewith. The Collateral Agent acknowledges and agrees that in the case of clause (ii) of this subsection, any such release shall be made in accordance with and subject to Section 2.9 of the LTAESA and Section 2.4 of the LTAESG;

7.5.13 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 Funds Release; and

7.5.14 no Muskrat/LTA Event of Default shall have occurred and be continuing.

7.6 **Conditions Precedent to Funds Releases on Account of the Punch List Costs Funds Releases**

Subject to and upon compliance with all of the relevant terms and conditions of this Agreement, following the Muskrat/LTA Initial Conditions Precedent and the Muskrat/LTA Drawdown Conditions Precedent having been met or, as the case may be, waived by the Collateral Agent, each Credit Party can request a single Funds Release from the Muskrat/LTA Proceeds Account on account of its Punch List Costs Funds Release immediately prior to the Commissioning Date, concurrently with the Demobilization Costs Funds Releases and the DSRA Funds Releases (all such Funds Releases being together the final Funds Releases), and to the extent the provisions of Section 7.10 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 Funds Release Request from each Credit Party requesting a Funds Release on a Funds Release Date in an amount equal to the Punch List Costs Muskrat Funds Release or the Punch List Costs LTA Funds Release, as the case may be, 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 applicable Base Equity Contribution or applicable Contingency Equity Contribution, as the case may be, required with respect to each Credit Party so as to maintain the DER at 65% immediately following the releases of the requested Punch List Costs Funds Releases. The Collateral Agent acknowledges and agrees that such release shall be made in accordance with and subject to Section 2.9 of the applicable ESA and Section 2.4 of the applicable ESG;
- 7.6.3 each of the Conditions Precedent to Commissioning (other than under subsections 7.9.6 and 7.9.13) 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 aggregate amount of the two requested Punch List Costs Funds Releases is not greater than the amount then standing to the credit of the Muskrat/LTA Proceeds Account (taking into account the concurrent Demobilization Costs Funds Releases and DSRA Funds Releases);
- 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 Funds Releases; and
- 7.6.6 no Muskrat/LTA Event of Default shall have occurred and be continuing.

7.7 **Conditions Precedent to Funds Releases on Account of the Demobilization Costs Funds Releases**

Subject to and upon compliance with all of the relevant terms and conditions of this Agreement, following the Muskrat/LTA Initial Conditions Precedent and the Muskrat/LTA Drawdown Conditions Precedent having been met or, as the case may be, waived by the Collateral Agent, each Credit Party can request a single Funds Release from the Muskrat/LTA Proceeds Account on account of its Demobilization Costs Funds Release immediately prior to the Commissioning Date, concurrently with the Punch List Costs Funds Releases and the DSRA Funds Releases (all such Funds Releases being together the final Funds Releases), and to the extent the provisions of Section 7.10 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:

- 7.7.1 the Collateral Agent and the Independent Engineer shall have received a Funds Release Request from each Credit Party requesting a Funds Release on a Funds Release Date in an amount equal to the Demobilization Costs Muskrat Funds Release or the Demobilization Costs LTA Funds Release, as the case may be, together with:

- 7.7.1.1 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
- 7.7.1.2 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;

- 7.7.2 the Collateral Agent shall have received the applicable Base Equity Contribution or applicable Contingency Equity Contribution, as the case may be, required with respect to each Credit Party so as to maintain the DER at 65% immediately following the release of the requested Demobilization Costs Funds Releases. The Collateral Agent acknowledges and agrees that such release shall be made in accordance with and subject to Section 2.9 of the applicable ESA and Section 2.4 of the applicable ESG;
- 7.7.3 each of the Conditions Precedent to Commissioning (other than under subsections 7.9.6 and 7.9.14) has been met to the satisfaction of the Collateral Agent, or, as the case may be, waived by the Collateral Agent;
- 7.7.4 the Collateral Agent shall have determined that the aggregate amount of the two requested Demobilization Costs Funds Releases is not greater than the amount then standing to the credit of the Muskrat/LTA Proceeds Account (taking into account the concurrent Punch List Costs Funds Releases and the DSRA Funds Releases);
- 7.7.5 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 Funds Releases; and
- 7.7.6 no Muskrat/LTA Event of Default shall have occurred and be continuing.

7.8 **Conditions Precedent to Funds Releases on Account of the DSRA Funds Releases**

Subject to and upon compliance with all of the relevant terms and conditions of this Agreement, following the Muskrat/LTA Initial Conditions Precedent and the Muskrat/LTA Drawdown Conditions Precedent having been met or, as the case may be, waived by the Collateral Agent, each Credit Party can request a single Funds Release from the Muskrat/LTA Proceeds Account on account of its DSRA Funds Release immediately prior to the Commissioning Date, concurrently with the Demobilization Costs Funds Releases and the Punch List Costs Funds Releases (all such Funds Releases being together the final Funds Releases), and to the extent the provisions of Section 7.10 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:

7.8.1 the Collateral Agent and the Independent Engineer shall have received a Funds Release Request from each Credit Party requesting a Funds Release on a Funds Release Date in an amount equal to the DSRA Muskrat Funds Release or the DSRA LTA Funds Release, as the case may be, together with:

7.8.1.1 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

7.8.1.2 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;

7.8.2 the Collateral Agent shall have received the DSRA Equity Contributions. The Collateral Agent acknowledges and agrees that the release of funds shall be made in accordance with and subject to Section 2.9 of each ESA and Section 2.4 of each ESG;

7.8.3 each of the Conditions Precedent to Commissioning (other than under subsections 7.9.6 and 7.9.15) has been met to the satisfaction of the Collateral Agent, or, as the case may be, waived by the Collateral Agent;

7.8.4 the Collateral Agent shall have determined that the aggregate amount of the two requested DSRA Funds Releases is not greater than the amount standing to the credit of the Muskrat/LTA Proceeds Account (taking into account the concurrent Punch List Costs Funds Releases and Demobilization Costs Funds Releases);

7.8.5 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 Drawdowns; and

7.8.6 no Muskrat/LTA Event of Default shall have occurred and be continuing.

7.9 **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:

- 7.9.1 the Collateral Agent and the Independent Engineer shall have received the Commissioning Certificate;
- 7.9.2 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:
- 7.9.2.1 Commissioning has been achieved and it has no reason to believe that the Projects have not been constructed in all material respects in accordance with the Project Plans and Good Utility Practice; and
- 7.9.2.2 the Commissioning Tests and interconnection tests have been performed and met in accordance with the Material Project Documents;
- 7.9.3 the Collateral Agent shall have received, in form and substance satisfactory to the Collateral Agent, updated execution search reports and certificates from the Credit Parties' 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 real property of the Credit Parties as is in existence as at such time;
- 7.9.4 the Collateral Agent shall have received a written confirmation from the Credit Parties' Real Property Counsel or such other evidence, in form and substance satisfactory to the Collateral Agent, that, as regards such of the real property of the Credit Parties as is in existence as at such time, all realty taxes that are due and payable have been fully paid;
- 7.9.5 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 Projects have been paid all amounts owing to them pursuant to the Material Project Documents other than Punch List Items and Demobilization List Items;
- 7.9.6 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 Punch List Costs Accounts, the Demobilization Costs Accounts and the LRA as required by the terms hereof;
- 7.9.7 the Collateral Agent shall have received evidence satisfactory to the Collateral Agent that all work on the Projects 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;

- 7.9.8 the Credit Parties shall have provided access to the Independent Engineer, to copies of all relevant operating and maintenance manuals in respect of the Projects, as have been provided in final form by the relevant vendors and suppliers;
- 7.9.9 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 Credit Parties and required to be maintained by each of the Credit Parties pursuant to Section 10.6 and naming the Collateral Agent and the Muskrat/LTA Security Trustee as additional insured and, if appropriate, as first loss payee, accompanied with a satisfactory mortgagee clause;
- 7.9.10 the Credit Parties shall have or have had obtained all Authorizations (to the extent not already obtained) which under Applicable Law are necessary to obtain, in the opinion of the Collateral Agent in connection with the operation of the Projects, 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;
- 7.9.11 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;
- 7.9.12 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;
- 7.9.13 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;
- 7.9.14 each of the conditions precedent set forth in 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; and
- 7.9.15 each of the conditions precedent set forth in Section 7.8 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 7.9 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 Commissioning Confirmation.

7.10 **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 Muskrat/LTA Initial Conditions Precedent and the Muskrat/LTA 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 Funds Release Dates), either Credit Party can request at any time and from time to time a WCR Release from the Working Capital Reserve Account for deposit into its 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:

- 7.10.1 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:
 - 7.10.1.1 shall provide information sufficient to justify the necessity to fund Eligible Project Costs by way of WCR Release prior to the subsequent Funds Release Date; and
 - 7.10.1.2 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 such Credit Party 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;
- 7.10.2 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
- 7.10.3 no Muskrat/LTA Event of Default shall have occurred and be continuing.

7.11 **Conditions Precedent to WCR Release from the Working Capital Reserve Account for Purposes of Funds Release**

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 Muskrat/LTA Initial Conditions Precedent and the Muskrat/LTA Drawdown Conditions Precedent having been met or, as the case may be, waived by the Collateral Agent (and where the Muskrat/LTA Proceeds Account Balance is nil, or where as a result of a Funds Release that is to be concurrent with the relevant WCR Release, the Muskrat/LTA Proceeds Account Balance will be nil), either Credit Party can request at any time and from time to time a WCR Release from the Working Capital Reserve Account for purposes of effecting a Funds Release and for deposit into its 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:

- 7.11.1 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 7.4 or 7.5, as the case may be, shall apply, *mutatis mutandis*; or
- 7.11.2 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 7.6, 7.7, 7.8 and 7.9 shall apply, *mutatis mutandis*.

ARTICLE 8

PROJECT ACCOUNTS AND APPLICATION OF FUNDS

8.1 **Muskrat/LTA Proceeds Account**

On or prior to the Closing Date, the Credit Parties shall establish with the Collateral Agent a joint account in their names called "Muskrat/LTA Proceeds Account" at the Collateral Agent's Office (the "**Muskrat/LTA Proceeds Account**").

- 8.1.1 During the Construction Period:
- 8.1.1.1 there shall be deposited directly into the Muskrat/LTA Proceeds Account, the proceeds of the single Advance under the Muskrat/LTA Construction Facility made under this Agreement; and
- 8.1.1.2 amounts in the Muskrat/LTA Proceeds Account shall be released and transferred only to the applicable Project Funding Account to fund Funds Releases requested by either Credit Party hereunder in accordance with the provisions of Sections 7.2 and 7.5 hereof.

8.2 Muskrat Project Funding Account

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

8.2.1 During the Construction Period:

8.2.1.1 there shall be deposited directly into the Muskrat Project Funding Account: **(i)** the proceeds of all Funds Releases made to Muskrat under this Agreement, other than **(a)** Funds Releases required to fund the MF Debt Rateable Share of the Minimum DSRA Requirement, **(b)** the Punch List Costs Muskrat Funds Release, **(c)** the Demobilization Costs Muskrat Funds Release, **(d)** Funds Releases required to fund the Minimum WCR Requirement, and **(e)** a Funds Release made pursuant to subsection 3.9.2, **(ii)** the proceeds of all Funds Releases made under this Agreement to Muskrat required to fund the MF Debt Rateable Share of the Minimum DSRA Requirement, **(iii)** the Punch List Costs Muskrat Funds Release, **(iv)** the Demobilization Costs Muskrat Funds Release, **(v)** the Funds Releases required to fund the Minimum WCR Requirement, **(vi)** by Nalcor, the proceeds of any MF Base Equity Contribution, as provided for pursuant to Section 2.3 of the MFESA, **(vii)** by Nalcor, the proceeds of any MF Contingency Equity Contribution, as provided for pursuant to Section 2.4 of the MFESA, **(viii)** the proceeds of any Additional Debt of Muskrat, **(ix)** by NL Crown, any amount paid with respect to the MF Base Equity Contribution, as provided for pursuant to paragraph 2.3.1.1 or paragraph 2.3.2.1 of the MFESG, **(x)** by NL Crown, any amount paid with respect to the MF Contingency Equity Contribution, as provided for pursuant to paragraphs 2.3.1.2 or 2.3.2.2 of the MFESG, **(xi)** by NL Crown, any amount paid on account of interest pursuant to Section 2.6 of the MFESG, **(xii)** by Nalcor, the proceeds of any MF DSRA Equity Contribution, as provided for pursuant to Section 2.5 of the MFESA, **(xiii)** by NL Crown, any amount paid with respect to the MF DSRA Equity Contribution as provided for pursuant to paragraph 2.3.1.3 or subsection 2.3.3 of the MFESG, **(xiv)** by Nalcor, the proceeds of any MF LRA Equity Contribution, as provided for pursuant to Section 2.6 of the MFESA, **(xv)** by NL Crown, any amount paid with respect to the MF LRA Contribution as provided for pursuant to paragraph 2.3.1.4 or subsection 2.3.4 of the MFESG, **(xvi)** any amounts to be transferred into the Muskrat Project Funding Account pursuant to subsections 8.14.3 and 8.14.4 and paragraphs 8.16.2.2 and 8.17.2.3, **(xvii)** all reimbursements from Governmental Authorities of Sales Taxes, and **(xviii)** any other amounts received by Muskrat (or, as the case may be, the

Muskrat/LTA Security Trustee, in the case of insurance proceeds) during the Construction Period, including any amounts paid by NLH pursuant to the PPA, insurance or warranty proceeds (but, with respect to insurance proceeds relating to any damage or destruction of the MF Plant, only to the extent they are deposited into the Muskrat Project Funding Account pursuant to paragraph 8.5.1.3), liquidated damages and Income on Account Balances on any Muskrat Project Account released in accordance with the provisions of this Agreement;

- 8.2.1.2 amounts in the Muskrat Project Funding Account (other than amounts contemplated in paragraphs 8.2.1.3, 8.2.1.4, 8.2.1.5, 8.2.1.6 or 8.2.1.7) shall be transferred only to the Muskrat Project Operating Account to fund withdrawals from the Muskrat 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, Muskrat's Project Rateable Share of the Various Agent Costs and Expenses, **(b)** secondly, Muskrat's Project Rateable Share of the Funding Vehicle Project Costs and Expenses, **(c)** thirdly, Muskrat's Project Rateable Share of the Canada Project Costs and Expenses, and **(d)** fourthly, Muskrat's Other Project Costs, including for purposes of effecting any Sinking Fund Payments into the Sinking Fund Account;
- 8.2.1.3 amounts in the Muskrat Project Funding Account deposited therein pursuant to clause (v) of paragraph 8.2.1.1 shall be transferred only to the Working Capital Reserve Account;
- 8.2.1.4 amounts in the Muskrat Project Funding Account deposited therein pursuant to clauses (ii), (xi) (to the extent the amount deposited pursuant to such clause (xi) relates to the MF DSRA Equity Contribution), (xii), or (xiii) of paragraph 8.2.1.1 shall be transferred only to the DSRA;
- 8.2.1.5 amounts in the Muskrat Project Funding Account deposited therein pursuant to clause (iii) of paragraph 8.2.1.1 or, for purposes of defraying the Muskrat Punch List Costs, pursuant to clauses (vi), (vii), (viii), (ix), (x) or (xi) (to the extent the amount deposited pursuant to such clause (xi) relates to the equity contributions made in connection with the Punch List Costs Muskrat Funds Releases) of paragraph 8.2.1.1, shall be transferred only to the Muskrat Punch List Costs Account;
- 8.2.1.6 amounts in the Muskrat Project Funding Account deposited therein pursuant to clause (iv) of paragraph 8.2.1.1 or, for purposes of defraying the Muskrat Demobilization Costs, pursuant to clauses (vi), (vii), (viii), (ix), (x) or (xi) (to the extent the amount deposited pursuant to such clause (xi) relates to the equity

contributions made in connection with the Demobilization Costs Muskrat Funds Releases) of paragraph 8.2.1.1, shall be transferred only to the Muskrat Demobilization Costs Account;

8.2.1.7 amounts in the Muskrat Project Funding Account deposited therein pursuant to clauses (xi) (to the extent the amount deposited pursuant to such clause (xi) relates to the MFLRA Equity Contribution), (xiv) and (xv) of paragraph 8.2.1.1 shall be transferred only to the LRA;

8.2.1.8 funds in the Muskrat Project Funding Account and forming part of the Aggregate Muskrat Project Funding Account and Operating Account Balances shall remain in the Muskrat 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 (xxix) of the definition of "Final Funding Request".

8.2.2 During the Operating Period:

8.2.2.1 there shall be deposited directly into the Muskrat Project Funding Account: (i) any amounts paid as Base Block Payments by NLH pursuant to the PPA and all other amounts paid by NLH to Muskrat pursuant to the PPA (other than Base Block Payments Attributable to Debt Service that shall be deposited directly into the Muskrat Prepaid Debt Service Escrow Account pursuant to paragraph 8.18.1.1), (ii) the proceeds of any Additional Debt of Muskrat, (iii) any amounts to be transferred to the Muskrat Project Funding Account pursuant to subsection 8.14.3, subsection 8.14.4, paragraph 8.5.1.3, paragraph 8.17.2.2 and paragraph 8.17.2.3, (iv) all reimbursements from Governmental Authorities of Sales Taxes, and (v) any other amounts received by Muskrat (or, as the case may be, the Muskrat/LTA 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 MF Plant, only to the extent they are deposited in the Muskrat Project Funding Account pursuant to paragraph 8.5.1.3) liquidated damages and any Income on Account Balances on Muskrat Project Accounts and other amounts released from other Muskrat Project Accounts from time to time in accordance with the provisions of this Agreement but excluding any Base Block Payments Attributable to Debt Service, which shall be deposited directly into the Muskrat Prepaid Debt Service Escrow Account pursuant to paragraph 8.18.1.1.

- 8.2.2.2 funds in the Muskrat Project Funding Account (other than amounts contemplated in subsections 8.2.2.3 and 8.2.2.4) shall be applied from time to time in the following order of priority:
- (a) firstly, paid to the Muskrat Project Operating Account for rateable application towards Muskrat's Project Rateable Share of Various Agent Costs and Expenses due and payable;
 - (b) secondly, paid to the Muskrat Project Operating Account for application towards its Muskrat's Project Rateable Share of Funding Vehicle Project Costs and Expenses;
 - (c) thirdly, paid to the Muskrat Project Operating Account for application towards Muskrat's Project Rateable Share of the Canada Project Costs and Expenses;
 - (d) fourthly, paid to the Muskrat Project Operating Account for application towards O&M Costs of Muskrat 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 Muskrat Construction Project Operating Account as well as Muskrat's Project Rateable Share of the operating costs of the Funding Vehicle including Taxes as well as all other payments required to be made by the Administrator pursuant to the Administration Agreement;
 - (e) fifthly, at any time that any such amount is due, paid to the Muskrat Project Operating Account for rateable application towards the payment of Muskrat's Project Rateable Share of (i) all interest in respect of the Muskrat/LTA Construction Loan then due and payable; (ii) all principal on the Muskrat/LTA Construction Loan, any Muskrat/LTA 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;
 - (f) sixthly, from time to time, paid to the DSRA, up to Muskrat's Project Rateable Share of such amounts as may be required in order for the total amount on deposit in the DSRA (together with Labrador Transco's Project Rateable Share of such amounts) to be equal to the then Minimum DSRA Requirement, for application in accordance with subsection 8.14.2;

- (g) seventhly, paid to the Muskrat Project Operating Account for application towards payment of any amounts due and payable under Additional Debt of Muskrat, including principal and interest, and fees, costs and expenses;
- (h) eighthly, paid to NLH on account of all amounts then due and payable by Muskrat to NLH pursuant to the PPA;
- (i) ninthly, on Distribution Dates, (i) provided that the Distribution Conditions are then met, all Distribution Funds in the Muskrat Project Funding Account shall be released and applied at Muskrat's option, or (ii) if the Distribution Conditions are not then met, all such amounts shall be deposited to and retained in the Muskrat Distribution Reserve Account for application in accordance with the terms of subsection 8.4.1;

8.2.2.3 any portion of any amount paid as Base Block Payments intended to be used to pay the LTA Payments then due and payable by Muskrat to Labrador Transco pursuant to the GIA shall be transferred directly to the Labrador Transco Project Funding Account; and

8.2.2.4 any portion of any amount paid as Base Block Payments intended to be used by Muskrat for purposes of completing the Punch List Items or the Demobilization List Items, as the case may be, relating to the MF Plant, shall be transferred to the Muskrat Punch List Costs Account or the Muskrat Demobilization Costs Account, as applicable.

8.3 Muskrat Project Operating Account

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

8.3.1 From time to time, there shall be transferred to the Muskrat Project Operating Account all amounts required to be paid thereto from the Muskrat Project Funding Account in accordance with the provisions of subsections 8.2.1 and 8.2.2.

8.3.2 During the Construction Period:

8.3.2.1 there shall be deposited directly into the Muskrat Project Operating Account (i) all amounts to be paid thereto from the Working Capital Reserve Account in accordance with the provisions of paragraph 8.16.2.1 and (ii) the proceeds of any equity Investment to which reference is made in paragraph 7.10.1.2;

- 8.3.2.2 funds in the Muskrat Project Operating Account (other than funds contemplated in paragraph 8.3.2.1) may be withdrawn from the Muskrat Project Operating Account, but only to the extent applied in accordance with subsection 8.2.1.2, *mutatis mutandis*;
 - 8.3.2.3 funds in the Muskrat Project Operating Account deposited therein pursuant to paragraph 8.3.2.1 shall be applied exclusively to the payment of the MF Project Costs with respect to which the corresponding WCR Release and Equity Funding Notice was issued; and
 - 8.3.2.4 funds in the Muskrat Project Operating Account and forming part of the Aggregate Muskrat Project Funding Account and Operating Account Balances shall remain in the Muskrat 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 (xxix) of the definition of "Final Funding Request".
- 8.3.3 During the Operating Period, funds in the Muskrat Project Operating Account may be withdrawn from the Muskrat 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) and (g) of paragraph 8.2.2.2, *mutatis mutandis*.

8.4 **Muskrat Distribution Reserve Account**

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

- 8.4.1 During the Operating Period:
 - 8.4.1.1 there shall be deposited, from time to time, into the Muskrat Distribution Reserve Account amounts on deposit in the Muskrat Project Funding Account in excess of the amounts applied pursuant to clauses (a) to (h) of paragraph 8.2.2.2 and which are required to be deposited therein pursuant to clause (i) of paragraph 8.2.2.2; and
 - 8.4.1.2 from time to time, on Distribution Dates, funds in the Muskrat Distribution Reserve Account shall be released and applied at Muskrat's option, provided that all of the Distribution Conditions are then met.

8.5 Muskrat Insurance Reserve Account

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

8.5.1 During the Construction Period and the Operating Period:

8.5.1.1 there shall be deposited, from time to time, into the Muskrat Insurance Reserve Account the insurance proceeds contemplated in paragraph 10.6.5.1 to be released and applied by Muskrat to the repair and restoration of the MF Plant;

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

8.5.1.3 insurance proceeds remaining in the Muskrat Insurance Reserve Account following the application of paragraphs 8.5.1.1 and 8.5.1.2., and to the extent the repairs and restorations to the MF Plant intended to be effected with such insurance proceeds have been fully completed, shall be deposited into the Muskrat Project Funding Account.

8.6 Muskrat Punch List Costs Account

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

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

8.6.1.1 all amounts to be paid thereto from the Muskrat Project Funding Account in accordance with the provisions of paragraph 8.2.1.5; and

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

8.6.2 There shall be deposited, from time to time, into the Muskrat Punch List Costs Account the amounts to be transferred from the Muskrat Project Funding Account pursuant to paragraph 8.2.1.5 or subsection 8.2.2.4 in connection with the Punch List Items relating to the MF Plant.

- 8.6.3 Funds in the Muskrat Punch List Costs Account shall be applied from time to time towards payment of the Muskrat Punch List Costs, as same become due and payable, subject to Muskrat providing the Collateral Agent with a prior written notice of its intention to withdraw sums from the Muskrat Punch List Costs Account for the purpose of funding such Muskrat Punch List Costs.
- 8.6.4 Funds remaining in the Muskrat Punch List Costs Account following completion of the Punch List Items relating to the MF Plant in accordance with Section 10.20 shall be transferred to the Muskrat Project Operating Account to be applied towards the payment of O&M Costs.

8.7 **Muskrat Demobilization Costs Account**

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

- 8.7.1 Immediately prior to the Commissioning Date, there shall be transferred into the Muskrat Demobilization Costs Account:
- 8.7.1.1 all amounts to be paid thereto from the Muskrat Project Funding Account in accordance with the provisions of paragraph 8.2.1.6; and
 - 8.7.1.2 an amount equal to the amount calculated pursuant to paragraph (viii) of the definition of "Final Funding Request".
- 8.7.2 There shall be deposited, from time to time, into the Muskrat Demobilization Costs Account the amounts to be transferred from the Muskrat Project Funding Account pursuant to paragraph 8.2.1.6 or subsection 8.2.2.4 in connection with the Demobilization Costs relating to the MF Plant.
- 8.7.3 Funds in the Muskrat Demobilization Costs Account shall be applied from time to time towards payment of the Demobilization Costs related to the MF Plant, as same become due and payable, subject to Muskrat providing the Collateral Agent with a prior written notice of its intention to withdraw sums from the Muskrat Demobilization Costs Account for the purpose of funding such Demobilization Costs.
- 8.7.4 Funds remaining in the Muskrat Demobilization Costs Account following completion of the Demobilization List Items related to the MF Plant in accordance with Section 10.20, shall be transferred to the Muskrat Project Operating Account to be applied towards the payment of O&M Costs.

8.8 Labrador Transco Project Funding Account

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

8.8.1 During the Construction Period:

8.8.1.1 there shall be deposited directly into the Labrador Transco Project Funding Account: (i) the proceeds of all Funds Releases made to Labrador Transco under this Agreement, other than (a) Funds Releases required to fund the LTA Debt Rateable Share of the Minimum DSRA Requirement, (b) the Punch List Costs LTA Funds Release, (c) the Demobilization Costs LTA Funds Release, and (d) Funds Releases required to fund the Minimum WCR Requirement, and (e) a Funds Release made pursuant to subsection 3.9.2, (ii) the proceeds of all Funds Releases made to Labrador Transco under this Agreement required to fund the LTA Debt Rateable Share of the Minimum DSRA Requirement, (iii) the Punch List Costs LTA Funds Release, (iv) the Demobilization Costs LTA Funds Release, (v) the Funds Releases required to fund the Minimum WCR Requirement; (vi) by Nalcor, the proceeds of any LTA Base Equity Contribution, as provided for pursuant to Section 2.3 of the LTAESA, (vii) by Nalcor, the proceeds of any LTA Contingency Equity Contribution, as provided for pursuant to Section 2.4 of the LTAESA, (viii) the proceeds of any Additional Debt of Labrador Transco, (ix) by NL Crown, any amount paid with respect to the LTA Base Equity Contribution, as provided for pursuant to paragraph 2.3.1.1 or paragraph 2.3.2.1 of the LTAESG, (x) by NL Crown, any amount paid with respect to the LTA Contingency Equity Contribution, as provided for pursuant to paragraphs 2.3.1.2 or 2.3.2.2 of the LTAESG, (xi) by NL Crown, any amount paid on account of interest pursuant to Section 2.6 of the LTAESG, (xii) by Nalcor, the proceeds of any LTA DSRA Equity Contribution, as provided for pursuant to Section 2.5 of the LTAESA, (xiii) by NL Crown, any amount paid with respect to the LTA DSRA Equity Contribution as provided for pursuant to paragraph 2.3.1.3 or subsection 2.3.3 of the LTAESG, (xiv) by Nalcor, the proceeds of any LTA LRA Equity Contribution, as provided for pursuant to Section 2.6 of the LTAESA, (xv) by NL Crown, any amount paid with respect to the LTA LRA Contribution as provided for pursuant to paragraph 2.3.1.4 or subsection 2.3.4 of the LTAESG, (xvi) any amounts to be transferred into the Labrador Transco Project Funding Account pursuant to subsections 8.14.3 and 8.14.4 and paragraphs 8.16.2.2 and 8.17.2.3; (xvii) all reimbursements from Governmental Authorities of Sales Taxes, and (xviii) any other amounts received

by Labrador Transco (or, as the case may be, the Muskrat/LTA Security Trustee, in the case of insurance proceeds) during the Construction Period, including any amounts paid to it pursuant to the GIA, insurance or warranty proceeds (but, with respect to insurance proceeds relating to any damage or destruction of the LTA, only to the extent they are deposited into the LTA Project Funding Account pursuant to paragraph 8.11.1.3), liquidated damages and Income on Account Balances on any Labrador Transco Project Account released in accordance with the provisions of this Agreement;

- 8.8.1.2 amounts in the Labrador Transco Project Funding Account (other than amounts contemplated in paragraphs 8.8.1.3, 8.8.1.4, 8.8.1.5, 8.8.1.6 or 8.8.1.7) shall be transferred only to the Labrador Transco Project Operating Account to fund withdrawals from the Labrador Transco 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, Labrador Transco's Project Rateable Share of the Various Agent Costs and Expenses, **(b)** secondly, Labrador Transco's Project Rateable Share of the Funding Vehicle Project Costs and Expenses, **(c)** thirdly, Labrador Transco's Project Rateable Share of the Canada Project Costs and Expenses, and **(d)** fourthly, its Other Project Costs, including for purposes of effecting any Sinking Fund Payments into the Sinking Fund Account;
- 8.8.1.3 amounts in the Labrador Transco Project Funding Account deposited therein pursuant to clause (v) of paragraph 8.8.1.1 shall be transferred only to the Working Capital Reserve Account;
- 8.8.1.4 amounts in the Labrador Transco Project Funding Account deposited therein pursuant to clauses (ii), (xi) (to the extent the amount deposited pursuant to such clause (x) relates to the LTA DSRA Equity Contribution), (xii), or (xiii) of paragraph 8.8.1.1 shall be transferred only to the DSRA;
- 8.8.1.5 amounts in the Labrador Transco Project Funding Account deposited therein pursuant to clause (iii) of paragraph 8.8.1.1 or, for purposes of defraying the LTA Punch List Costs, pursuant to clauses (vi), (vii), (viii), (ix), (x) or (xi) (to the extent the amount deposited pursuant to such clause (xi) relates to the equity contributions made in connection with the Punch List LTA Funds Release) of paragraph 8.8.1.1, shall be transferred only to the Labrador Transco Punch List Costs Account;
- 8.8.1.6 amounts in the Labrador Transco Project Funding Account deposited therein pursuant to clause (iv) of paragraph 8.8.1.1 or, for purposes of defraying the LTA Demobilization Costs, pursuant

to clauses (vi), (vii), (viii), (ix), (x) or (xi) (to the extent the amount deposited pursuant to such clause (xi) relates to the equity contributions made in connection with the Demobilization Costs LTA Funds Release) of paragraph 8.2.1.1, shall be transferred only to the Labrador Transco Demobilization Costs Account;

8.8.1.7 amounts in the Labrador Transco Project Funding Account deposited therein pursuant to clauses (xi) (to the extent the amount deposited pursuant to such clause (xi) relates to the LTA LRA Equity Contribution), (xiv) and (xv) of paragraph 8.8.1.1 shall be transferred only to the LRA;

8.8.1.8 funds in the Labrador Transco Project Funding Account and forming part of the Aggregate Labrador Transco Project Funding Account and Operating Account Balances shall remain in the Labrador Transco Project Funding Account to be applied for purposes of subsequent Funding Requests as per clause (vii) of the definition of "Funding Request", or, as applicable, the Final Funding Request as per clauses (xvii), (xviii), (xix), (xx) and (xxix) of the definition of "Final Funding Request".

8.8.2 During the Operating Period:

8.8.2.1 there shall be deposited directly into the LTA Project Funding Account: (i) any amounts paid as LTA Payments by Muskrat pursuant to the GIA and all other amounts paid by Muskrat to Labrador Transco pursuant to the GIA (other than LTA Payments Attributable to Debt Service that shall be deposited directly to the Labrador Transco Prepaid Debt Service Escrow Account pursuant to paragraph 8.20.1.1), (ii) the proceeds of any Additional Debt of Labrador Transco, (iii) any amount to be transferred into the Labrador Transco Project Funding Account pursuant to subsection 8.14.3, subsection 8.14.4, paragraph 8.11.1.3, paragraph 8.17.2.2 and paragraph 8.17.2.3, (iv) all reimbursements from Governmental Authorities of Sales Taxes, and (v) any other amounts received by Labrador Transco (or, as the case may be, the Muskrat/LTA 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 LTA, only to the extent they are deposited in the Labrador Transco Project Funding Account pursuant to paragraph 8.11.1.3, liquidated damages and any Income on Account Balances on Labrador Transco Project Accounts and other amounts released from other Labrador Transco Project Accounts from time to time in accordance with the provisions of this Agreement but excluding any LTA Payments Attributable to Debt Service, which shall be deposited directly to

the Labrador Transco Prepaid Debt Service Escrow Account pursuant to paragraph 8.20.1.1;

- 8.8.2.2 funds in the Labrador Transco Project Funding Account (other than amounts contemplated in subsection 8.8.2.3) shall be applied from time to time in the following order of priority:
- (a) firstly, paid to the Labrador Transco Project Operating Account for rateable application towards Labrador Transco's Project Rateable Share of Various Agent Costs and Expenses due and payable;
 - (b) secondly, paid to the Labrador Transco Project Operating Account for application towards Labrador Transco's Project Rateable Share of Funding Vehicle Project Costs and Expenses;
 - (c) thirdly, paid to the Labrador Transco Project Operating Account for application towards Labrador Transco's Project Rateable Share of the Canada Project Costs and Expenses;
 - (d) fourthly, paid to the Labrador Transco Project Operating Account for application towards O&M Costs of Labrador Transco 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 Labrador Transco Project Operating Account as well as Labrador Transco's Project Rateable Share of the operating costs of the Funding Vehicle including Taxes as well as all other payments required to be made by the Administrator pursuant to the Administration Agreement;
 - (e) fifthly, at any time that any such amount is due, paid to the Labrador Transco Project Operating Account for rateable application towards the payment of Labrador Transco's Project Rateable Share of (i) all interest in respect of the Muskrat/LTA Construction Loan then due and payable; (ii) all principal on the Muskrat/LTA Construction Loan then due and payable; any Muskrat/LTA Make-Whole Amount and any amount to be paid into the Sinking Fund Account, and (iii) all breakage costs and other losses and expenses then due and payable pursuant to the provisions of the Consolidated Transaction Documents;
 - (f) sixthly, from time to time, paid to the DSRA, up to Labrador Transco's Project Rateable Share of such amounts as may be required in order for the total amount on deposit in the DSRA (together with Muskrat's Project Rateable

Share of such amounts) to be equal to the then Minimum DSRA Requirement, for application in accordance with subsection 8.14.2;

- (g) seventhly, paid to the Labrador Transco Project Operating Account for application towards payment of any amounts due and payable under Additional Debt of Labrador Transco, including principal and interest, and fees, costs and expenses;
- (h) eighthly, paid to Muskrat on account of all amounts then due and payable by Labrador Transco to Muskrat pursuant to the GIA; and
- (i) ninthly, on Distribution Dates, (i) provided that the Distribution Conditions are then met, all Distribution Funds in the Labrador Transco Project Funding Account shall be released and applied at Labrador Transco's option, or (ii) if the Distribution Conditions are not then met, all such amounts shall be deposited to and retained in the Labrador Transco Distribution Reserve Account for application in accordance with the terms of subsection 8.10.1.

8.8.2.3 any portion of any amounts paid as LTA Payments to Labrador Transco and intended to be used by Labrador Transco for purposes of completing the Punch List Items or the Demobilization List Items, as the case may be, relating to the LTA shall be transferred to the Labrador Transco Punch List Costs Account or the Labrador Transco Demobilization Costs Account, as applicable.

8.9 **Labrador Transco Project Operating Account**

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

8.9.1 From time to time, there shall be transferred to the Labrador Transco Project Operating Account all amounts required to be paid thereto from the Labrador Transco Project Funding Account in accordance with the provisions of subsections 8.8.1 and 8.8.2.

8.9.2 During the Construction Period:

8.9.2.1 there shall be deposited directly into the Labrador Transco Project Operating Account (i) all amounts to be paid thereto from the Working Capital Reserve Account in accordance with the provisions of paragraph 8.16.2.1 and (ii) the proceeds of any equity Investment to which reference is made in paragraph 7.10.1.1;

- 8.9.2.2 funds in the Labrador Transco Project Operating Account (other than funds contemplated in paragraph 8.9.2.1) may be withdrawn from the Labrador Transco Project Operating Account, but only to the extent applied in accordance with subsection 8.8.1.2, *mutatis mutandis*;
- 8.9.2.3 funds in the Labrador Transco Project Operating Account deposited therein pursuant to paragraph 8.9.2.1 shall be applied exclusively to the payment of the LTA Project Costs with respect to which the corresponding WCR Release and Equity Funding Notice was issued; and
- 8.9.2.4 funds in the Labrador Transco Project Operating Account and forming part of the Aggregate Labrador Transco Project Funding Account and Operating Account Balances shall remain in the Labrador Transco Project Operating Account to be applied for purposes of subsequent Funding Requests as per clauses (v) of the definition of "Funding Request", or, as applicable, the Final Funding Request as per clauses (xv), (xvii), (xviii), (xix), (xx) and (xxix) of the definition of "Final Funding Request".
- 8.9.3 During the Operating Period, funds in the Labrador Transco Project Operating Account may be withdrawn from the Labrador Transco 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) and (h) of paragraph 8.8.2.2, *mutatis mutandis*.

8.10 **Labrador Transco Distribution Reserve Account**

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

- 8.10.1 During the Operating Period:
- 8.10.1.1 there shall be deposited, from time to time, into the Labrador Transco Distribution Reserve Account amounts on deposit in the Labrador Transco Project Funding Account in excess of the amounts applied pursuant to clauses (a) to (h) of paragraph 8.8.2.2 and which are required to be deposited therein pursuant to clause (i) of paragraph 8.8.2.2; and
- 8.10.1.2 from time to time, on Distribution Dates, funds in the Labrador Transco Distribution Reserve Account shall be released and applied at Labrador Transco's option, provided that all of the Distribution Conditions are then met.

8.11 **Labrador Transco Insurance Reserve Account**

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

8.11.1 During the Construction Period and the Operating Period:

8.11.1.1 there shall be deposited, from time to time, into the Labrador Transco Insurance Reserve Account the insurance proceeds contemplated in paragraph 10.6.5.1 to be released and applied by Labrador Transco to the repair and restoration of the LTA;

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

8.11.1.3 insurance proceeds remaining in the Labrador Transco Insurance Reserve Account following the application of paragraph 8.11.1.1 and 8.11.1.2, 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 Labrador Transco Project Funding Account.

8.12 **Labrador Transco Punch List Costs Account**

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

8.12.1 Immediately prior to the Commissioning Date, there shall be transferred into the Labrador Transco Punch List Costs Account:

8.12.1.1 all amounts to be paid thereto from the Labrador Transco Project Funding Account in accordance with the provisions of paragraph 8.8.1.5; and

8.12.1.2 an amount equal to the amount calculated pursuant to paragraph (xix) of the definition of "Final Funding Request".

8.12.2 There shall be deposited, from time to time, into the Labrador Transco Punch List Costs Account the amounts to be transferred from the Labrador Transco

Project Funding Account pursuant to paragraph 8.8.1.5 or paragraph 8.8.2.3 in connection with the Punch List Items relating to the LTA;

- 8.12.3 Funds in the Labrador Transco Punch List Costs Account shall be applied from time to time towards payment of the LTA Punch List Costs, as same become due and payable, subject to Labrador Transco providing the Collateral Agent with a prior written notice of its intention to withdraw sums from the Labrador Transco Punch List Costs Account for the purpose of funding such LTA Punch List Costs.
- 8.12.4 Funds remaining in the Labrador Transco Punch List Costs Account following completion of the Punch List Items related to the LTA in accordance with Section 10.20 shall be transferred to the Labrador Transco Project Operating Account to be applied towards the payment of O&M Costs.

8.13 **Labrador Transco Demobilization Costs Account**

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

- 8.13.1 Immediately prior to the Commissioning Date, there shall be transferred into the Labrador Transco Demobilization Costs Account:
- 8.13.1.1 all amounts to be paid thereto from the Labrador Transco Project Funding Account in accordance with the provisions of paragraph 8.8.1.6; and
 - 8.13.1.2 an amount equal to the amount calculated pursuant to paragraph (xx) of the definition of "Final Funding Request".
- 8.13.2 There shall be deposited, from time to time, into the Labrador Transco Demobilization Costs Account the amounts to be transferred from the Labrador Transco Project Funding Account pursuant to paragraph 8.8.1.6 or paragraph 8.8.2.3 in connection with the Demobilization List Items relating to the LTA.
- 8.13.3 Funds in the Labrador Transco Demobilization Costs Account shall be applied from time to time towards payment of the Demobilization Costs related to the LTA, as same become due and payable, subject to Labrador Transco providing the Collateral Agent with a prior written notice of its intention to withdraw sums from the Labrador Transco Demobilization Costs Account for the purpose of funding such Demobilization Costs.
- 8.13.4 Funds remaining in the Labrador Transco Demobilization Costs Account following completion of the Demobilization List Items relating to the LTA in

accordance with Section 10.20, shall be transferred to the Labrador Transco Project Operating Account to be applied towards the payment of O&M Costs..

8.14 **DSRA**

Prior to the Closing Date, the Credit Parties shall establish with the Collateral Agent a joint account in their names called "DSRA" at the Collateral Agent's Office (the "**DSRA**").

8.14.1 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 Project Funding Accounts in accordance with the provisions of paragraphs 8.2.1.4 and 8.8.1.4 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 paragraphs (vi) and (xviii) of the definition of "Final Funding Request";

8.14.2 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 Project Funding Accounts, in excess of the amounts applied pursuant to clauses (a) to (e) of paragraph 8.2.2.2 and (a) to (e) of paragraph 8.8.2.2, in accordance with the Project Rateable Share of each Credit Party, until the total amount on deposit in the DSRA equals the then Minimum DSRA Requirement;

8.14.3 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 Project Rateable Share of each Credit Party of the amount of such excess shall be transferred to the Project Funding Account of such Credit Party;

8.14.4 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 Income on Account Balances, the Project Rateable Share of each Credit Party of such Income on Account Balances shall be transferred to the Project Funding Account of such Credit Party.

8.15 **LRA**

Prior to the Commissioning Date, the Credit Parties shall establish with the Collateral Agent a joint account in their names called "LRA" at the Collateral Agent's Office (the "**LRA**").

- 8.15.1 Immediately prior to the Commissioning Date, there shall be transferred to the LRA all amounts required to be paid thereto from the Project Funding Accounts in accordance with the provisions of paragraphs 8.2.1.7 and 8.8.1.7.
- 8.15.2 During the Operating Period, at any time that there shall be on deposit in the LRA any Income on Account Balances, the Project Rateable Share of each Credit Party of such Income on Account Balances shall be transferred to the Project Funding Account of such Credit Party.
- 8.15.3 Upon receipt, following the tenth anniversary of the Commissioning Date, of a Compliance Certificate demonstrating that the DSCR is equal or greater than 1.40 without taking into account any amount standing to the credit of the LRA, the Project Rateable Share of all amounts standing to the credit of the LRA shall be transferred to the Distribution Reserve Account of each Credit Party to be released and applied at such Credit Party's option provided that all of the Distribution Conditions are then met. The LRA shall be closed upon such transfer to the Distribution Reserve Accounts of the Credit Parties (such date, the "**LRA Release Date**").

8.16 **Working Capital Reserve Account**

On or prior to the Closing Date, the Credit Parties shall establish with the Collateral Agent a joint account in their names called "Working Capital Reserve Account" at the Collateral Agent's Office (the "**Working Capital Reserve Account**").

- 8.16.1 Pursuant to the first Funds Release hereunder pursuant to Section 7.3 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 Project Funding Accounts in accordance with the provisions of paragraphs 8.2.1.3 and 8.8.1.3;
- 8.16.2 During the Construction Period:
- 8.16.2.1 subject to subsection 8.16.3, funds in the Working Capital Reserve Account may be withdrawn from the Working Capital Reserve Account for deposit into the Project Operating Accounts, the whole subject to Section 7.10;
- 8.16.2.2 at any time that there shall be on deposit in the Working Capital Reserve Account any Income on Account Balances, the Project Rateable Share of each Credit Party of such Income on Account Balances shall be transferred to the Project Funding Account of such Credit Party.
- 8.16.3 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) to (viii) inclusively, (xvii) to (xx) and (xxix) of the definition of "Final Funding Request".

8.17 **Sinking Fund Account**

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

8.17.1 On the date of the Funds Release relating to the Final Funding Request, there shall be deposited in the Sinking Fund Account the amount required to be deposited therein pursuant to Section 3.9.

8.17.2 Starting from the first Sinking Fund Deposit Date:

8.17.2.1 there shall be deposited into the Sinking Fund Account the amounts required to be deposited therein pursuant to clause (d) of paragraph 8.2.1.2 and paragraph 8.3.2.2, clause (e) of paragraph 8.2.2.2 and subsection 8.3.3, clause (d) of paragraph 8.8.1.2 and paragraph 8.9.2.2, and clause (e) of paragraph 8.8.2.2 and subsection 8.9.3; and

8.17.2.2 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 Project Funding Account of each Credit Party an amount equal to such Credit Party's Project Rateable Share of the lesser of the amount then on deposit in the Sinking Fund Account and the amount of principal on the Muskrat/LTA Construction Loan then due and payable; and

8.17.2.3 on a monthly basis, at any time that there shall be on deposit in the Sinking Fund Account any Income on Account Balances, the Project Rateable Share of each Credit Party of such Income on Account Balances shall be transferred to its 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.

8.18 **Muskrat Prepaid Debt Service Escrow Account**

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

8.18.1 During the Operating Period:

8.18.1.1 there shall be deposited, from time to time, into the Muskrat Prepaid Debt Service Escrow Account, the proceeds of any Base Block Payments Attributable to Debt Service;

8.18.1.2 immediately prior to any Funds Release to Muskrat 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 Muskrat Prepaid Debt Service Escrow Account in such month pursuant to paragraph 8.18.1.1), there shall be transferred from the Muskrat Prepaid Debt Service Escrow Account to the Muskrat Project Funding Account the full amount then on deposit in the Muskrat Prepaid Debt Service Escrow Account.

8.19 **Muskrat Cost Overrun Escrow Account**

Prior to the Closing Date, Muskrat shall establish with the Collateral Agent an account entitled "Muskrat – Cost Overrun Escrow Account" at the Collateral Agent's Office (the "**Muskrat Cost Overrun Escrow Account**"). Funds shall be transferred to and from the Muskrat Cost Overrun Escrow Account in accordance with subsection 10.28.2.

8.20 **Labrador Transco Prepaid Debt Service Escrow Account**

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

8.20.1 During the Operating Period:

8.20.1.1 there shall be deposited, from time to time, into the Labrador Transco Prepaid Debt Service Escrow Account, the proceeds of any LTA Payment Attributable to Debt Service;

8.20.1.2 immediately prior to any Funds Release to Labrador Transco 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 Labrador Transco Prepaid Debt Service Escrow Account in such month pursuant to paragraph 8.20.1.1), there shall be transferred from the Labrador Transco Prepaid Debt Service Escrow Account to the Labrador Transco Project Funding Account the full amount then on deposit in the Labrador Transco Prepaid Debt Service Escrow Account.

8.21 **Labrador Transco Cost Overrun Escrow Account**

Prior to the Closing Date, Labrador Transco shall establish with the Collateral Agent an account entitled "Labrador Transco – Cost Overrun Escrow Account" at the Collateral Agent's Office (the "**Labrador Transco Cost Overrun Escrow Account**"). Funds shall be transferred to and from the Labrador Transco Cost Overrun Escrow Account in accordance with subsection 10.28.3.

8.22 Disbursements by the Collateral Agent

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

8.23 Excluded Deposits

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

ARTICLE 9**REPRESENTATIONS AND WARRANTIES**

To induce the Funding Vehicle to make the Muskrat/LTA Construction Facility available to the Credit Parties, 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 duly and validly incorporated, 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 Muskrat/LTA Project Finance Documents in NL and to undertake and carry on its Project and Commission its Project by the Date Certain.

9.2 Authority

Each Credit Party has the requisite capacity and power to enter into each of the Muskrat/LTA 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 Muskrat/LTA 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 Muskrat/LTA 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 Muskrat/LTA Project Finance Documents by each Credit Party, nor the creation of Liens in favour of the Collateral Agent and the Muskrat/LTA Security Trustee over the Assets of such Credit Party subject thereto, nor the consummation of any of the transactions contemplated in the Muskrat/LTA 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 Muskrat/LTA Security Documents to be made on or about the Closing Date and those to be made against the future Assets of the Credit Parties, as and when same are acquired by them, 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 A (v) and Part B (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 Muskrat/LTA 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) either 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 Projects by the Date Certain.

9.9 **Corporate Structure and Location of Assets**

Subject to the notices provided by the Credit Parties 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 Credit Parties from achieving Commissioning of the Projects 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 Muskrat/LTA 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 Credit Parties 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 applicable Credit Party 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 Muskrat/LTA 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 Muskrat/LTA Security Documents to which it is a party, (ii) each Credit Party to undertake and carry on its Project and Commission the Projects 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 A (v) and Part B (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 Muskrat/LTA Security Documents to be made on or about the Closing Date and those to be made against the future Assets of the Credit Parties as and when same are acquired by them, and (d) 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 Muskrat/LTA Event of Default**

No Muskrat/LTA 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 **Assets**

Each Credit Party is the sole legal and beneficial owner of its Assets in existence on the Closing Date, free and clear of any encumbrance or Lien other than Permitted

Encumbrances and such Assets are those required by such Credit Party as of the Closing Date to carry on its business as described in Section 9.22. Each Credit Party will be the sole legal and beneficial owner of the Assets to be acquired by it following the Closing Date, as and when they are acquired, free and clear of any encumbrance or Lien, other than Permitted Encumbrances.

9.18 **Intellectual Property**

Each Credit Party owns, possesses, is licensed or otherwise has the right to use all patents, trademarks, service marks, trade names, industrial designs, design patents, copyrights, technology, know-how and processes and all rights with respect to the foregoing (the "**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 Projects 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 each Credit Party, there is no violation by any Person of any of its rights with respect to any of its 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 MF Plant and LTA 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 either 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 its Assets; 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 its Assets;
- 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 Assets of the Credit Parties;
- 9.20.5 except in compliance with Environmental Law, to the Knowledge of the Credit Parties, none of the lands and premises forming part of the MF Plant and LTA 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, neither 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**

Neither Credit Party has any employees.

9.22 **Business**

Muskkrat is engaged solely in the business of undertaking the MF Plant and, following the Commissioning Date, the business of Muskrat will consist solely in operating and maintaining the MF Plant in accordance with the provisions of the PPA. Labrador Transco is engaged solely in the business of undertaking the LTA and performing the other LTA Services in accordance with the provisions of the GIA and following the Commissioning Date, Labrador Transco's sole business will consist of operating and

maintaining the LTA and performing the other LTA Services in accordance with the provisions of the GIA.

9.23 **Utilities**

All utility services necessary for the construction and the operation of the Projects for their respective 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 A (i) and Part B (i) 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 Projects in accordance with all Applicable Law;
- 9.24.2 are sufficient to enable the Projects to be located, constructed, operated and maintained on the MF Plant Site and the LTA Site; and
- 9.24.3 provide adequate ingress and egress for any reasonable purpose in connection with the construction, operation and maintenance of the Projects under the Material Project Documents, in each case save and except for the future Assets 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 14.6 of the PPA and Sections 15.6 and 15.7 of the GIA, provided that NLH or a Credit Party referred to therein is exercising the rights provided for in such Sections.

9.26 **Construction Budget; Projection**

The Credit Parties have 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;
- 9.26.3 indicate that Commissioning of the Projects will occur before the Date Certain; and

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

9.27 **Construction of Projects**

All work done on the Projects 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 Projects including those referred to in Part A (i) and Part B (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 their Assets 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 Credit Parties, except as described in Schedule "H", they are not aware of and have 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:

- 9.29.1 any claim or proceeding against the MF Plant Site or the LTA Site;
- 9.29.2 any right in the MF Plant Site or the LTA Site;
- 9.29.3 any claim of jurisdiction over any business of the Credit Parties or any right in the MF Plant Site or the LTA Site; or
- 9.29.4 any right to be consulted (other than pursuant to Applicable Law) with respect to any use, development or improvement of any right in the MF Plant Site or the LTA Site;

and except as disclosed in Schedule "H", neither Credit Party has any Knowledge of and it has not received, in relation to the MF Plant Site or the LTA Site, 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 of the single Advance hereunder and each Funds Release each Borrowing is requested and made hereunder.

9.31 **Management and Operator Fees**

Neither Credit Party is 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 Muskrat/LTA Construction Loan or any other amount payable hereunder is outstanding and unpaid or the Credit Parties shall have the right to borrow hereunder or obtain Funds Releases (whether or not the conditions to borrowing or Funds Releases 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) it may undertake and carry on its Project and Commission the Projects 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 Muskrat/LTA 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 Muskrat/LTA 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) to undertake and carry on its Project and Commission the Projects 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 it from Commissioning the Projects by the Date Certain.

10.4 **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.

10.5 **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):

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

10.6 **Insurance**

Each Credit Party will maintain or have maintained, by Nalcor 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 each Credit Party:
- 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 its 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 its 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 its Project and who do not carry out any installation or construction works on or at its 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 its 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 such Credit Party and any other Person acting under the authority of such Credit Party;
 - 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 each Credit Party or, as the case may be, Nalcor, as part of its overall insurance program for the LCP, for the benefit of the Credit Parties:
- 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 its 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 such Credit Party and any other Person acting under the authority of such Credit Party;
 - 10.6.2.5 watercraft and/or aircraft liability if any aircraft and/or watercraft will be utilized by such Credit Party in relation to its 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 Muskrat/LTA 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 Muskrat/LTA 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 Muskrat/LTA 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 Muskrat/LTA 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 Muskrat/LTA 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 Muskrat/LTA 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 a Project received by either the Muskrat/LTA 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 Muskrat Insurance Reserve Account or the LTA Insurance Reserve Account, as applicable, in accordance with paragraphs 8.5.1.1 or 8.11.1.1, as applicable, to be applied to the repair or restoration of such Project;
 - 10.6.5.2 aggregating more than CDN\$50,000,000, where the Repair Conditions have been satisfied, shall be deposited into the Muskrat Insurance Reserve Account or the LTA Insurance Reserve Account, as applicable, and shall be applied in accordance with paragraphs 8.5.1.2 or 8.11.1.2, 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 Muskrat Insurance Reserve Account or the LTA 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 8.5.1.2 or 8.11.1.2, as applicable, and with subsection 10.6.6;
- 10.6.6 if insurance proceeds relating to any damage or destruction of a 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 Muskrat or Labrador Transco, as applicable, to the repair or restoration of its 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 applicable Project is technically and economically feasible and that a sufficient amount of funds is or will be available to the appropriate Credit Party 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 its Project is technically and economically feasible and that a sufficient amount of funds is or will be available to such Credit Party to make such repairs and restorations, (d) stating that no Muskrat/LTA Event of Default has occurred and is continuing other than a Muskrat/LTA Event of Default resulting solely from such damage or destruction, and (e) stating that each Muskrat/LTA 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 applicable Credit Party shall cause such insurance to name the Muskrat/LTA 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 Muskrat/LTA Security Documents, shall assist the Muskrat/LTA 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 Muskrat/LTA 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 Muskrat/LTA 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 Muskrat/LTA 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 Muskrat/LTA Event of Default has occurred and is continuing or (ii) if a Muskrat/LTA 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 of the MF Project Costs or LTA Project Costs, as the case may be, or the MF Project Schedule or LTA Project Schedule, as the case may be, 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 Muskrat/LTA Project Finance Documents, the Material Project Documents to which it is a party and all Authorizations relating to such Credit Party's Project.

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

The Credit Parties shall pay (i) all Various Agent Costs and Expenses, the Funding Vehicle Project Costs and Expenses and the Canada Project Costs and Expenses, following their receipt, from time to time, of satisfactory Structure Invoices addressed to them and supporting documentation relating to such costs and expenses, and (ii) without duplication, all operating costs of the Funding Vehicle payable by it including any Taxes

as well as all other amounts required to be paid by the Administrator pursuant to the Administration Agreement.

10.11 **Change of Name**

The Credit Parties 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 Credit Party 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 to which it is a party and all Authorizations related to its Project other than those referred to in Section 14.6 of the PPA and Sections 15.6 and 15.7 of the GIA, 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 to which it is a party and all Authorizations related to its 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 to which it is a party 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**

Each Credit Party shall have the authority to issue Change Orders to amend the Material Project Documents to which it is a party, 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 to which such Credit Party is a party exceeds Thirty-Five Million Canadian Dollars (\$35,000,000) and (ii) taking into account such Change Order, the Cost

Variances of the Project of such Credit Party, as at the proposed date of coming into effect of such Change Order, netted against the savings, would result in Hard Costs for that Project that exceed the Hard Costs for that Project budgeted under the MF Project Budget or the LTA Project Budget, as the case may be, 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, 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 to which it is a party or (ii) a notice of suspension or stoppage of work under a Material Project Document to which it is a party, 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 its Project received by such Credit Party from any Governmental Authority.

Each Credit Party shall acquire the Assets it needs for its Project as and when required to enable it to comply in all material respects with the MF Project Schedule or LTA Project Schedule, as the case may be. 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**

Each Credit Party shall diligently pursue the construction of its Project and endeavour 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 its Project.

10.17 **Use of Proceeds**

The Credit Parties will apply all proceeds of Funds Releases and the single Advance hereunder to finance, in part, Project Costs.

10.18 **Use of Project Funds**

Save as otherwise provided in Article 8, each Credit Party shall deposit and direct that all funds receivable by it be deposited respectively into its Project Funding Account and transfer such amounts to its Project Operating Account 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 Projects 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 amount standing to the credit of the Muskrat/LTA Proceeds Account, following the single Advance under the Muskrat/LTA Construction Facility, is equal to nil but the Projects have not yet achieved Commissioning, the Credit Parties 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**

Each Credit Party shall create (i) a list of items of work remaining to be performed or corrected on its Project and a list of items to be completed in connection with Performance Testing, together with an estimate of the costs to complete same (each list of a Credit Party, the "**Punch List Items**"), (ii) a list of all Demobilization Work for its Project and an estimate of the costs to complete same (each list of a Credit Party, the "**Demobilization List Items**"); and (iii) a list of items in respect of which Hard Costs for its Project 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 Muskrat/LTA 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 **Marked-Up Drawings, Survey**

By no later than two hundred and seventy (270) days following the first day of the Operating Period, the Credit Parties shall deliver to the Collateral Agent "marked-up" drawings for the Projects and on or prior to the Date Certain, deliver to the Collateral Agent a surveyor's real property report with respect to the Projects showing no encroachments on any portion of any premises outside the MF Plant Site and the LTA Site. Based on such surveys, the Credit Parties shall make all such further Registrations of the Muskrat/LTA 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 Muskrat/LTA Security Documents, including, Registrations in respect of underground cables.

10.23 **Maintenance**

During the Operating Period, each Credit Party shall operate and maintain its Assets as contemplated in the PPA or the GIA, as the case may be, provided, however, that when either Credit Party is in default of its obligations set forth in the PPA or the GIA to carry out the O&M Activities or the LTA O&M Activities, as the case may be, 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 14.6 of the PPA and Sections 15.6 and 15.7 of the GIA.

10.24 **IE Certificate**

The Credit Parties 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 Projects are being conducted in accordance with Good Utility Practice.

10.25 **DSCR Consultation Process**

If any 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 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 Credit Parties' 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 or 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**

Each Credit Party covenants and agrees that, to the extent that Commissioning has not occurred by the 7th anniversary of the first Funds Release Date, it shall, on the Funds Release Date immediately following such 7th anniversary date, fund its Project Rateable Share of 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 Funds Release Date. For greater certainty, in the event that the Muskrat/LTA Proceeds Account Balance is not nil, but without limiting the provisions of Sections 7.4 and 7.5, the condition precedent set forth in subsection 7.8.2 shall apply to the DSRA Prefunding.

10.28 Costs Overruns

10.28.1 Starting on the first anniversary of the first Funds Release 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 Credit Parties 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 Muskrat 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 Funds Release 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 relating to the MF Plant, calculated as at such anniversary date, divided by the number of calendar years remaining to the expected Commissioning Date (each, an "**Initial Muskrat Cost Overrun Instalment Payment**") shall have been funded and the Initial Muskrat 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 Funds Release 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 the MF Plant as at such anniversary date plus the MF Project Costs incurred and paid for since the MF Plant commencement less the amount of the MF Project Budget exceed the Cost Overruns relating to the MF Plant reported as at the previous anniversary date, an amount equal to such excess, which

- is the additional Cost Overrun for that year (an "**Additional Muskrat Cost Overrun**"), divided by the number of calendar years remaining to the expected Commissioning Date (each, an "**Annual Muskrat Cost Overrun Instalment Payment**"), then that Annual Muskrat Cost Overrun Instalment Payment shall be funded on each anniversary date thereafter until an amount equal to the aggregate Additional Muskrat Cost Overrun has been paid;
- 10.28.2.3 each Initial Muskrat Cost Overrun Instalment Payment and Annual Muskrat Cost Overrun Instalment Payment shall be funded by way of an advance of cash by Muskrat into the Muskrat Cost Overrun Escrow Account. The Muskrat Cost Overrun Escrow Account will be under the control of the Collateral Agent for the purpose of funding Cost Overruns relating to the MF Plant and shall form part of the Security;
- 10.28.2.4 following the Muskrat/LTA Proceeds Account Balance being nil and the amounts on deposit in the Working Capital Reserve Account being nil, all Eligible Project Costs relating to the MF Plant shall be funded by the use of the amounts so deposited in the Muskrat Cost Overrun Escrow Account. Funds shall be released from the Muskrat Cost Overrun Escrow Account in a manner similar to that contemplated in Section 7.10 in connection with WCR Releases. If at any time between the first Funds Release Date and the Commissioning Date, the balance outstanding in the Muskrat Cost Overrun Escrow Account is nil, Eligible Project Costs relating to the MF Plant shall be funded through MF 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 Muskrat Cost Overrun Escrow Account, then upon Commissioning, such balance shall be released from the Muskrat Cost Overrun Escrow Account and applied at Muskrat's option;
- 10.28.2.6 for all purposes of calculating the DER, following the Muskrat/LTA Account Proceeds Balance being nil and the amounts on deposit in Working Capital Reserve Account being nil, the amounts deposited into the Muskrat Cost Overrun Escrow Account shall be deemed to form part of the Capital Account of Muskrat; and
- 10.28.2.7 any amount on deposit in the Muskrat Cost Overrun Escrow Account shall be used exclusively to fund MF 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 MF Project Costs.

- 10.28.3 Labrador Transco hereby covenants and agrees that any Cost Overruns shall be funded as follows:
- 10.28.3.1 on the first anniversary date of the first Funds Release 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 relating to the LTA, calculated as at such anniversary date, divided by the number of calendar years remaining to the expected Commissioning Date (each, an "**Initial Labrador Transco Cost Overrun Instalment Payment**") shall have been funded and the Initial Labrador Transco 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;
 - 10.28.3.2 on the second anniversary date of the first Funds Release 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 the LTA as at such anniversary date plus the LTA Project Costs incurred and paid for since the LTA commencement less the amount of the LTA Project Budget exceed the Cost Overruns relating to the LTA reported as at the previous anniversary date, an amount equal to such excess, which is the additional Cost Overrun for that year (an "**Additional Labrador Transco Cost Overrun**"), divided by the number of calendar years remaining to the expected Commissioning Date (the "**Annual Labrador Transco Cost Overrun Instalment Payment**") then that Annual Labrador Transco Cost Overrun Instalment Payment shall be funded on each anniversary date thereafter until an amount equal to the aggregate Additional Labrador Transco Cost Overrun has been paid;
 - 10.28.3.3 each Initial Labrador Transco Cost Overrun Instalment Payment and Annual Labrador Transco Cost Overrun Instalment Payment shall be funded by way of an advance of cash by Labrador Transco into the Labrador Transco Cost Overrun Escrow Account. The Labrador Transco Cost Overrun Escrow Account will be under the control of the Collateral Agent for the purpose of funding Cost Overruns relating to the LTA and shall form part of the Security;
 - 10.28.3.4 following the Muskrat/LTA Proceeds Account Balance being nil and the amounts on deposit in the Working Capital Reserve Account being nil, all Eligible Project Costs relating to the LTA shall be funded by the use of the amounts so deposited in the Labrador Transco Cost Overrun Escrow Account. Funds shall be released from the Labrador Transco Cost Overrun Escrow Account in a manner similar to that contemplated in Section 7.10 in

connection with WCR Releases. If at any time between the first Funds Release Date and the Commissioning Date, the balance outstanding in the Labrador Transco Cost Overrun Escrow Account is nil, Eligible Project Costs relating to the LTA shall be funded through LTA Contingency Equity Contributions or Additional Debt, as may be permitted under the terms hereof;

- 10.28.3.5 where immediately prior to Commissioning any balance remains outstanding in the Labrador Transco Cost Overrun Escrow Account, then upon Commissioning, such balance shall be released from the Labrador Transco Cost Overrun Escrow Account and applied at Labrador Transco's option;
- 10.28.3.6 for all purposes of calculating the DER, following the Muskrat/LTA Account Proceeds Balance being nil and the amounts on deposit in Working Capital Reserve Account being nil, the amounts deposited into the Labrador Transco Cost Overrun Escrow Account shall be deemed to form part of the Capital Account of Labrador Transco; and
- 10.28.3.7 any amount on deposit in the Labrador Transco Cost Overrun Escrow Account shall be used exclusively to fund LTA 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 LTA Project Costs.

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

The Credit Parties hereby undertake, concurrently with the execution and delivery of the Underwriting Agreement, to deliver to the Collateral Agent, Schedule "E", Schedule "T", Part II (Soft Costs) of Schedule "U", Schedule "Y", Schedule "BB" and Schedule "DD" with, in the case of each such schedule, the acknowledgement set forth therein duly executed by the Credit Parties, 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 Muskrat/LTA Construction Loan or any other amount payable hereunder or, for clarity and without duplication, any amount payable to Canada under the GAA, is outstanding and unpaid or the Credit Parties shall have the right to borrow or obtain Funds Release hereunder (whether or not the conditions to borrowing or Funds Releases 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 Credit Parties 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 Compliance Certificate. If a 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 Credit Parties 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 Credit Parties propose 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 each Credit Party, in his capacity as an officer of such Credit Party and without personal liability, containing a quarterly and year-to-date numerical and narrative assessment of (i) the variance analysis of such Credit Party's Project's compliance with each material category in the applicable Annual Maintenance Plan, (ii) any material casualty losses, (iii) replacement of material equipment not contemplated by the then current applicable Annual Maintenance Plan, and (iv) an update on works performed to date pursuant to the applicable 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 Credit Parties shall deliver to the Collateral Agent:

- 11.2.1 the audited consolidated Financial Statements of each 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 Compliance Certificate. If a 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 Credit Parties 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 Credit Parties propose 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 Credit Parties 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 with respect to the MF Plant by major expense category and compared as against the original MF Project Budget;

11.3.2 an analysis of the Cost to Complete the MF Plant;

11.3.3 a description of any Cost Variances for the MF Plant detailing any variances from the MF Project Budget (with a narrative explanation of such variances);

11.3.4 a description of any material disputes with any Material Project Participant related to the MF Plant and any related claims against Muskrat;

11.3.5 a narrative report describing in reasonable detail the progress of the construction of the MF Plant since the last report hereunder and compared as against the originally established milestones in the MF Project Schedule;

11.3.6 that the MF Plant is being built substantially in all respects in accordance with the MF 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 MF Plant is being built in violation of any Applicable Laws or Authorizations pertaining to the MF Plant in effect at the time of performance of the relevant work;

11.3.7 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 MF Plant and the work currently being performed on the MF Plant, 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 Credit Parties of attaining Commissioning by the Date Certain;

11.3.8 as to the Additional Material Project Documents, if any, entered into by Muskrat since the last such certificate or the Closing Date, as the case may be;

11.3.9 Hard Costs incurred as at the Effective Date in such prior month with respect to the LTA by major expense category and compared as against the original LTA Project Budget;

- 11.3.10 an analysis of the Cost to Complete the LTA;
- 11.3.11 a description of any Cost Variances detailing any variances for the LTA from the LTA Project Budget (with a narrative explanation of such variances);
- 11.3.12 a description of any material disputes with any Material Project Participant related to the LTA and any related claims against Labrador Transco;
- 11.3.13 a narrative report describing in reasonable detail the progress of the construction of the LTA since the last report hereunder and compared as against the originally established milestones in the LTA Project Schedule;
- 11.3.14 that the LTA is being built substantially in all respects in accordance with the LTA 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 LTA is being built in violation of any Applicable Laws or Authorizations pertaining to the LTA in effect at the time of performance of the relevant work;
- 11.3.15 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 LTA and the work currently being performed on the LTA, 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 Credit Parties of attaining Commissioning by the Date Certain;
- 11.3.16 as to the Additional Material Project Documents, if any, entered into by Labrador Transco since the last such certificate or the Closing Date, as the case may be;
- 11.3.17 the estimated Commissioning Date detailing any variances that would delay the Commissioning Date beyond the Date Certain; and
- 11.3.18 that, subject to Sections 9.5 and 9.14, all Material Project Participants and other Persons participating or working toward the Commissioning of the Projects, 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 neither Credit Party is 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 such Credit Party 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 of its Assets, except for Permitted Encumbrances;

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 a Credit Party wishes to make a Distribution during any fiscal quarter (it being understood that each Credit Party may make only one Distribution 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, which certificate must be signed by a Responsible Officer of such Credit Party (a "**Distribution Certificate**"):

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

During the Operating Period, each Credit Party shall provide to the Collateral Agent not less than thirty (30) days before the end of each fiscal year, its 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 either Credit Party, any of their respective Assets, the Projects or, to the Knowledge of the Credit Parties, threatened against either Credit Party or the Projects, 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 Muskrat/LTA Event of Default;

11.6.4 any Release of any Hazardous Material at, upon, under, over, within, with respect to or emanating from the MF Plant Site or the LTA Site 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 Projects, 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 Projects 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 either Credit Party of any Expropriation Event as regards any of the Assets of such 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 either Credit Party or the Projects, in excess of \$50,000,000 for any one casualty or loss, or an aggregate of \$50,000,000;
- 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 **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 Projects or the business, Assets, liabilities, financial position or results of operations of either 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.

11.8 **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 Credit Parties to which the Collateral Agent and the GAA Finance Parties have access and which creates automatic notice of posting to the access list. The Credit Parties 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 11.8 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 Muskrat/LTA Construction Loan or any other amount payable hereunder is outstanding and unpaid or the Credit Parties shall have the right to borrow or obtain Funds Releases hereunder (whether or not the conditions to borrowing or Funds Releases 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**

Neither 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**

Neither Credit Party will incur, create, assume or suffer to exist any Indebtedness except for:

- 12.2.1 Indebtedness under this Agreement and the other Muskrat/LTA 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 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
- 12.2.5 Additional Debt provided, however that (i) any such Additional Debt that is secured by Liens on any of the Assets of either Credit Party shall be expressly subordinated to the Liens under the Muskrat/LTA Security Documents on terms and conditions satisfactory to the Collateral Agent, and (ii) immediately after incurring such Additional Debt and after giving effect thereto, no Muskrat/LTA Event of Default shall exist and 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 65% as evidenced by a certificate signed by a Responsible Officer of such Credit Party, in his capacity as an officer of such Credit Party and without personal liability, delivered to the Collateral Agent at least five (5) Business Days prior to the incurrence of such Additional Debt, or is (b) incurred during the Construction Period, a certificate signed by a Responsible Officer of such Credit Party, in his capacity as an officer of such Credit Party 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 would therefore be funded as any other Project Costs under the terms of this Agreement during the Construction Period and is provided for under the PPA as part of the Base Block Payments.

12.3 **Derivative Instruments**

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

12.4 **Business Combinations**

Neither 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 the other Credit Party or another Subsidiary of Nalcor if the amalgamated corporation (and Credit Parties' 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 Muskrat/LTA Project Finance Documents and executes and delivers a confirmatory assumption agreement, in form and substance acceptable to the Collateral Agent; and
- 12.4.2 a Credit Party may convey, sell, alienate, lease or otherwise dispose of all or substantially all of its Assets to the other 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

Muskrat/LTA Security Documents as may be required by the Collateral Agent, in form and substance acceptable to the Collateral Agent;

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 Muskrat/LTA Event of Default shall have occurred and be continuing.

12.5 **Investments**

Neither Credit Party will make any Investment other than Permitted Investments.

12.6 **Distributions**

12.6.1 Neither Credit Party may declare or make any Distribution to any Person during the Construction Period.

12.6.2 Each Credit Party may declare or make any Distribution to any Person during the Operating Period 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.

12.6.3 Each Credit Party may declare and make Distributions other than those otherwise provided for in this Section provided, however, that (i) no Muskrat/LTA Event of Default exists on the date of any such proposed Distribution and (ii) such Distribution is made from, in the case of Muskrat, the Muskrat Cost Overrun Escrow Account in accordance with paragraph 10.28.2.5 and, in the case of Labrador Transco, the Labrador Transco Cost Overrun Escrow Account, in accordance with paragraph 10.28.3.5.

12.7 **Change of Year-End**

Neither 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**

Neither 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**

Neither Credit Party shall create any Pension Plan or have any employee.

12.10 Sale or Lease of Assets

Neither Credit Party 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;
- 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 such Credit Party and disposals of other Assets consisting of temporary facilities, equipment and buildings; and
- 12.10.3 any reassignment or transfer by Muskrat to Nalcor of the Gull Island Rights and Muskrat's right, title and interest therein and in the Water Lease as it pertains to the Gull Island Rights.

12.11 Subsidiaries

Neither Credit Party shall create or acquire any Subsidiary.

12.12 Material Project Documents

Neither 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 to which it is a party 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 such Credit Party or the Projects 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 PPA or the GIA.

12.13 Abandonment of Project

Neither Credit Party shall voluntarily abandon construction or operation of its 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 to which such Credit Party is party and in the case of Muskrat, as contemplated in Section 14.6 of the PPA provided that NLH is exercising its rights thereunder and in the case of Labrador Transco, as contemplated in Sections 15.6 and 15.7 of the GIA provided that NLH is exercising its rights thereunder.

12.14 Project Accounts

Neither Credit Party shall 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) either Credit Party, 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 created pursuant to 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 Credit Parties and marketing and sales agreements entered into with Nalcor Energy Marketing Corporation, neither Credit Party shall permit any transaction, repay any debt, liabilities or obligations owing to, or transfer any undertaking or property (other than as contemplated in subsection 12.10.3, other than at fair market value for cash or save as otherwise permitted under the GIA or the PPA) 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

Neither Credit Party shall use any sites of the Projects for any purpose other than the construction and operation of the Projects, 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

Neither Credit Party shall issue any securities unless the issued securities are concurrently and validly pledged as a first priority Lien in favour of the Collateral Agent, subject to Permitted Encumbrances.

ARTICLE 13**EVENTS OF DEFAULT**

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

13.1 Non-Payment of Principal or Interest

The Credit Parties fail to pay, when due, any Sinking Fund Payment or any amount of principal, interest or fees outstanding hereunder or under any other Muskrat/LTA 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 either Credit Party herein or in any other Muskrat/LTA Project Finance Document is found to have been false, inaccurate, incomplete, fraudulently made, or breached in any material respect.

13.3 Breach of Covenants

Either 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 Muskrat/LTA Project Finance Document and such failure continues unremedied for a period of thirty (30) days following the issuance to the Credit Parties 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 Credit Party 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 such Credit Party, exceeds CDN\$50,000,000.

13.5 Enforcement Proceeding

Any Enforcement Proceeding is commenced against either Credit Party, is not vacated, discharged, dismissed or stayed within sixty (60) days of the commencement thereof and relates to a material part of the Projects.

13.6 Insolvency

An Insolvency Event shall have occurred with respect to (i) Muskrat, (ii) Labrador Transco, or (iii) Nalcor.

13.7 Change of Control

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

13.8 Default under Equity Agreements

If (i) either Credit Party fails to issue a Cash Call Notice (as defined in the ESA to which such Credit Party is party) and, further to a Payment Demand (as defined in the ESG relating to the ESA to which such Credit Party is party) made by the Collateral Agent to NL Crown in accordance with the provisions of the applicable ESG in connection with such breach by such Credit Party, 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 fails to make any equity contribution as and when required pursuant to the provisions of the ESA to which either Credit Party is party and further to a Payment Demand (as defined in the ESG relating to the ESA to which such Credit Party is party) made by the Collateral Agent to NL Crown in accordance with the provisions of the applicable ESG in connection with such breach by 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 Credit Parties 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 either Credit Party deny to any material extent, its obligations under any Muskrat/LTA Project Finance Document or claim any of the Muskrat/LTA Project Finance Documents to be rescinded, terminated (other than a scheduled termination), invalid or withdrawn, in whole or in part, or if any Muskrat/LTA 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 either Credit Party or any Material Project Participant breaches or defaults under any material provision contained in any Material Project Document (other than the PPA and the GIA) 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 such Credit Party 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 either Credit Party assigns any Material Project Document and such assignment is not permitted under the terms of such Material Project Document or under subsection 12.10.3.

13.13 Payment Default Under PPA

If NLH is in default of its obligation set forth in the PPA to make the Base Block Payments and such failure to pay is not remedied within five (5) Business Days of the due date thereof.

13.14 Payment Default under GIA

If Muskrat is in default of its obligation set forth in the GIA to make the LTA Payments and such failure to pay is not remedied within five (5) Business Days of the due date thereof.

13.15 O&M Activities

If either Credit Party is in default of its obligation set forth in the PPA or the GIA, as the case may be, to carry out the O&M Activities or LTA O&M Activities, as the case may be, in accordance with the applicable provisions of the PPA or the GIA, as the case may be, and, within thirty (30) days of such default by either Credit Party, NLH fails to exercise its rights under Section 14.6 of the PPA, Section 15.6 of the GIA or Section 15.7 of the GIA, as the case may be.

13.16 Other Default under PPA or GIA

If any party to the PPA or the GIA breaches or defaults under any material provision contained therein (other than those specifically referred to in any of Sections 13.13, 13.14 or 13.15), 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.

13.17 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 either Project; provided, however, that the foregoing shall not result in a Muskrat/LTA Event of Default if the Credit Parties diligently pursue and obtain or have pursued and obtained 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.

13.18 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 the applicable Credit Party fails,

within thirty (30) days after such Material Project Document to which it is a party 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.

13.19 **Commissioning by Date Certain**

If the Credit Parties fail to achieve Commissioning by the Date Certain.

13.20 **Security**

If any Lien under the Muskrat/LTA 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 Collateral).

13.21 **Insurance Proceeds**

In the event of loss or damage to a 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 Base Block Payment or LTA Payment, unless within ninety (90) days following the payment of such insurance proceeds, the Credit Parties fund the deficiency to the satisfaction of the Collateral Agent.

13.22 **Abandonment of Project**

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

13.23 **Unauthorized Transfer**

If either Credit Party fails to comply with the provisions of Section 12.10.

13.24 **DSCR**

If any 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 Compliance Certificate.

13.25 **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 Credit Parties fail to deposit in the DSRA such amounts as are necessary to fund the deficiency within five (5) Business Days following the issuance to the Credit Parties by the Collateral Agent of a notice to do so.

13.26 LIL Cross Default

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

13.27 Intermediary Trust Cross Default

If any IT Event of Default occurs, provided, however, that this Muskrat/LTA 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.

13.28 Assignment by the Credit Parties

If either Credit Party 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 Muskrat/LTA Event of Default (other than a Muskrat/LTA Event of Default listed in subsections 14.1.1 to 14.1.7, 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 Muskrat/LTA Event of Default, the cause of such Muskrat/LTA Event of Default and potential actions to be taken to cure the Muskrat/LTA Event of Default and attempt to come to an agreement on how to implement the remedy for the Muskrat/LTA Event of Default in a timeframe acceptable to all such parties. Notwithstanding the existence of any Muskrat/LTA Event of Default (other than a Muskrat/LTA Event of Default listed in subsections 14.1.1 to 14.1.7) 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 Muskrat/LTA 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 on the Muskrat/LTA 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 only (but not to third parties) any notices for enforcement required to be issued under Applicable Law similar to the notice required under Section 244 of the *Bankruptcy 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 Muskrat/LTA Events of Default shall not trigger a Remedies Consultation Period:

- 14.1.1 a Muskrat 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 Muskrat/LTA Event of Default under Section 13.7;
- 14.1.3 a Muskrat/LTA Event of Default under Section 13.10;
- 14.1.4 a Muskrat/LTA Event of Default under Section 13.12;
- 14.1.5 a Muskrat/LTA Event of Default under Section 13.18, but only to the extent that it relates to the PPA or the GIA;
- 14.1.6 a Muskrat/LTA Event of Default under Section 13.22; or
- 14.1.7 a Muskrat/LTA Event of Default under Section 13.26 or Section 13.27, but only to the extent that the LIL Event of Default or IT Event of Default giving rise to such a Muskrat/LTA Event of Default has not triggered a concurrent Remedies Consultation Period (as defined in the LIL Master Definitions Agreement).

14.2 **Termination and Acceleration**

Upon the occurrence and during the continuance of a Muskrat/LTA Event of Default but subject to first completing the preliminary measures contemplated in Section 14.1, the Collateral Agent may do any one or more of the following:

- 14.2.1 declare the whole or any part of the Muskrat/LTA Construction Facility to be cancelled, terminated or reduced, whereupon the Funding Vehicle shall not be required to make any further Advance hereunder in respect of such portion of the Muskrat/LTA Construction Facility so cancelled, terminated or reduced;
- 14.2.2 accelerate the maturity of all or any item or part of the Muskrat/LTA Construction Loan and declare them and the Muskrat/LTA 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 Muskrat/LTA Project Finance Documents;

- 14.2.4 suspend any rights of the Credit Parties under any Muskrat/LTA 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 Muskrat/LTA Project Finance Document or Applicable Law (whether or not provided for in any Muskrat/LTA 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 a Muskrat/LTA Event of Default referred to in Section 13.6 occurs, the Muskrat/LTA Construction Facility shall immediately and automatically be cancelled and the Muskrat/LTA Construction Loan 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 Funding Vehicle 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 Funding Vehicle, 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 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 14.3.3;
- 14.3.4 fourthly, 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 14.3.4;
- 14.3.5 fifthly, to pay (i) all interest in respect of the Muskrat/LTA Loan, (ii) all principal on the Muskrat/LTA Loan and any Muskrat/LTA 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 14.3.5; and

14.3.6 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 Muskrat/LTA Secured Obligations from time to time may, notwithstanding any appropriation by the Funding Vehicle, but subject to the provisions of Section 14.3 be appropriated to such parts of the obligations of the Credit Parties under any Muskrat/LTA 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 Funding Vehicle determines (which determination shall be evidenced by a certificate submitted to the Credit Parties 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 Funding Vehicle to maintain or give effect to all or any part of its obligations as contemplated by this Agreement and the other Muskrat/LTA Project Finance Documents, or to make or maintain all or any part of the Muskrat/LTA Loan hereunder, then the obligations of the Funding Vehicle to maintain or give effect to such part of such obligations or to make or maintain such part of the Muskrat/LTA 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 Credit Parties shall repay in full any such affected Muskrat/LTA Loan, together with all interest accrued thereon and the Muskrat/LTA Make-Whole Amount, immediately upon demand of the Funding Vehicle; or

15.1.2 a Change in Law has:

15.1.2.1 imposed, modified, or deemed applicable any loan ceiling against the Funding Vehicle or imposed, modified or deemed applicable any special Tax (other than a Tax on the overall net income of the Funding Vehicle), 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 Funding Vehicle; or

- 15.1.2.2 changed the basis of taxation of payments to the Funding Vehicle under this Agreement (other than a change affecting taxation on the overall net income of the Funding Vehicle); or
- 15.1.2.3 imposed on the Funding Vehicle any other condition (including the amount of capital required or expected to be maintained by the Funding Vehicle 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 Funding Vehicle of making or maintaining the Muskrat/LTA Construction Facility, the Muskrat/LTA Loan or any part thereof or to reduce any amount receivable by the Funding Vehicle with respect to the Muskrat/LTA Loan or any part thereof by an amount which the Funding Vehicle 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

- 15.1.2.4 the Credit Parties shall pay to Collateral Agent, for the account of the Funding Vehicle, such additional amount computed by Collateral Agent as will, on an after-tax basis, compensate the Funding Vehicle for such additional cost or reduction in amounts receivable which the Funding Vehicle determines to be attributable to the Credit Parties or the Muskrat/LTA Loan made to the Credit Parties; and
- 15.1.2.5 subject to the provisions of Section 15.2 with respect to losses and expenses, the Credit Parties may repay in full the Muskrat/LTA Loan together, in each case, with accrued interest thereon and the Muskrat/LTA Make-Whole Amount.

15.2 **Reimbursement of Losses and Expenses**

Whenever the Funding Vehicle shall sustain or incur any losses and expenses in connection with:

- 15.2.1 the failure of either Credit Party to borrow pursuant to the single Draw Request once delivered (whether by reason of either Credit Party's decision not to proceed, the non-fulfilment by either Credit Party of any of the conditions set forth herein, the existence of a Muskrat/LTA Event of Default on the relevant Drawdown Date or for any other reason other than 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 Muskrat/LTA Loan is immediately due and payable; or

15.2.3 the failure of either Credit Party to pay when due any Sinking Fund Payment, principal, interest, 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 "**Loss Event**" and the funds converted, repaid, not borrowed or not repaid, as the case may be, which are subject to any such Loss Event shall be collectively referred to as the "**Affected Funds**");

the Credit Parties agree to pay to the Collateral Agent for the account of the Funding Vehicle, upon demand, an amount certified by the Collateral Agent to be necessary to compensate the Funding Vehicle 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 either 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 either Credit Party as a result of the violation of Environmental Laws by either Credit Party;
- 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 either Credit Party or the operations and activities of either 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 Projects, liable as a partner or joint venturer), the other Muskrat/LTA Project Finance Documents or the transactions contemplated hereby or thereby, or any use made or proposed to be made with the proceeds of the Muskrat/LTA Construction Facility, whether or not such investigation, litigation or proceeding is brought by either 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 either 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 Credit Parties upon the demand of the Collateral Agent, shall form part of the Muskrat/LTA 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 Muskrat/LTA Secured Obligations.

15.7 **Acknowledgement**

The Credit Parties acknowledge that the Collateral Agent and the GAA Finance Parties have agreed to the Muskrat/LTA 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 Muskrat/LTA Loan. The liability and Indebtedness of the Credit Parties arising under this Article shall constitute part of the Muskrat/LTA Secured Obligations, shall be secured by the

Muskrat/LTA 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 Muskrat/LTA Loan and shall survive the transfer of any or all right in and to the Assets of either 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 either Credit Party with Environmental Laws; they shall survive the repayment of the Muskrat/LTA 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 Funding Vehicle

The Funding Vehicle covenants and agrees that, on demand made by the Credit Parties from time to time, it shall request that the Indenture Trustee remit to it 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 Funding Vehicle and the Funding Vehicle shall pay same to the Credit Parties 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.

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

Subject to the Consolidated Transaction Documents, the Issuer Trustee as trustee of the Funding Vehicle hereby irrevocably appoints the Collateral Agent respectively as the Issuer Trustee's and the Funding Vehicle's attorney-in-fact during the term of this Agreement, with full authority in the place and stead of and in the name of the Issuer Trustee and the Funding Vehicle 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 Issuer Trustee could execute on behalf of the Funding Vehicle, including Written Orders, Trust Certificates, documents, instruments or other certificates in connection therewith in accordance with the Funding Duty Requirement or the Project Financing Duty Requirement, as the case may be, 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 Street West
9th Floor
Toronto, Ontario 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 Issuer or the Funding Vehicle:

Muskrat Falls/Labrador Transmission Assets
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

With a copy to:

Muskrat Falls Corporation
500 Columbus Drive
P.O. Box 15000, Station A
St. John's, NL A1B 0M4

Attention: Corporate Secretary

Fax: 709-737-1782

E-mail: wchamberlain@nalcoreenergy.com

With a copy to:

Labrador Transmission Corporation
500 Columbus Drive
P.O. Box 15100, Station A
St. John's, NL A1B 0M6

Attention: Corporate Secretary

Fax: 709-737-1782

E-mail: wchamberlain@nalcoreenergy.com

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

E-mail: wchamberlain@nalcoreenergy.com

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

17.2.1.3 To Muskrat or Labrador Transco:

Muskrat Falls Corporation
500 Columbus Drive
P.O. Box 15000, Station A
St. John's, NL A1B 0M4

Attention: Corporate Secretary
Fax: 709-737-1782
E-mail: wchamberlain@nalcorenergy.com

With a copy to:

Labrador Transmission Corporation
500 Columbus Drive
P.O. Box 15100, Station A
St. John's, NL A1B 0M6

Attention: Corporate Secretary
Fax: 709-737-1782
E-mail: wchamberlain@nalcorenergy.com

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
E-mail: wchamberlain@nalcorenergy.com

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 **Provision Regarding Liability of Issuer Trustee**

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

Funding Vehicle or the Issuer Trustee under this Agreement and the documents accessory hereto.

17.5 **Successors and Assigns**

This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and assigns, provided that no party hereto shall assign any of its rights or obligations hereunder without the prior written consent of each of the other parties hereto.

17.6 **No Novation**

Any security provided by any Credit Party 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 any Credit Party or of any other Person or Persons to the Funding Vehicle 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.

17.7 **Obligation to Pay Absolute**

The obligations of any Credit Party to make payments on the Muskrat/LTA 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 any Credit Party may at any time have or have had against the Collateral Agent or the Funding Vehicle, whether in connection with this Agreement or otherwise.

17.8 **Rights and Recourses Cumulative**

The rights and remedies of the Funding Vehicle and the Collateral Agent under this Agreement shall be cumulative and not exclusive of any right or remedy which the Funding Vehicle would otherwise have and no failure or delay by the Collateral Agent or the Funding Vehicle 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.

17.9 **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.

17.10 **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]

MF/LTA PROJECT FINANCE AGREEMENT - SIGNATURE PAGE

IN WITNESS WHEREOF the parties have executed this MF/LTA Project Finance Agreement.

THE TORONTO-DOMINION BANK,
as Collateral Agent



By: _____

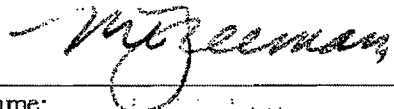
Name: **Michael A. Freeman**
Title: **Vice President, Loan Syndications - Agency**

By: _____

Name:
Title:

MF/LTA PROJECT FINANCE AGREEMENT - SIGNATURE PAGE


**BNY TRUST COMPANY OF
CANADA, as trustee of MUSKRAT
FALLS/LABRADOR
TRANSMISSION ASSETS FUNDING
TRUST,
as a GAA Finance Party,
herein acting and represented by THE
TORONTO-DOMINION BANK, as
Collateral Agent**

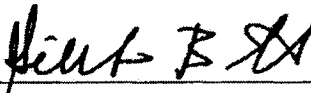
By: 
Name: David A. Johnson
Title: Vice President, Commercial and Financial Services

By: _____
Name:
Title:

MF/LTA PROJECT FINANCE AGREEMENT - SIGNATURE PAGE


MUSKRAT FALLS CORPORATION,
as a Credit Party

By: 
Name:
Title:

By: 
Name:
Title:

MF/LTA PROJECT FINANCE AGREEMENT - SIGNATURE PAGE

**LABRADOR TRANSMISSION
CORPORATION,**
as a Credit Party

By: 
Name: _____
Title: _____

By: 
Name: _____
Title: _____

SCHEDULE "A"

FUNDS RELEASE REQUEST

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 Muskrat Falls Corporation ("**Muskrat**") and Labrador Transmission Corporation ("**Labrador Transco**"), as borrowers, Muskrat Falls/Labrador Transmission Assets Funding Trust (the "**Funding Vehicle**"), as lender, 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 "**Muskrat/LTA 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 the Funding Vehicle, Computershare Trust Company of Canada, as security trustee, Nalcor Energy, Her Majesty The Queen In Right of the Province of Newfoundland and Labrador, Muskrat, as a credit party, and Labrador Transco, as a credit party (the "**MDA**").

We also refer you to the [**Funding Request/Final Funding Request**] dated as of _____ (the "**Applicable Funding Request**"), a copy of which is attached hereto as Schedule "A" hereto.

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 furtherance of the Applicable Funding Request and in accordance with Section [**7.3 / 7.4 / 7.5 / 7.6 / 7.7 / 7.8**] of the Muskrat/LTA Project Finance Agreement, the undersigned hereby requests a Funds Release in an amount of CDN\$ **Note 1** on **Note 2** .

For that purpose, we hereby represent and warrant that each and every one of the representations and warranties made under the MF/LTA Project Finance Agreement are true and correct on the date of this Funds Release 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 MF/LTA Event of Default has occurred and is continuing.

[INTENTIONALLY LEFT BLANK]

Yours truly,

[<@>MUSKRAT FALLS
CORPORATION / LABRADOR
TRANSMISSION
CORPORATION<@>]

Per: _____

Notes:

1. Insert the amount of the requested Funds Release, which must correspond to the lesser of **(i)** the Muskrat/LTA Proceeds Account Balance, and **(ii)** the amount of the Funds Release required under the Muskrat/LTA Project Finance Agreement, as set forth in the Applicable Funding Request.
2. Insert the date corresponding to the first (1st) Business Day of the month immediately following the month during which the Applicable Funding Request was delivered.

SCHEDULE "A"
APPLICABLE FUNDING REQUEST

SCHEDULE "B"**MATERIAL PROJECT DOCUMENTS AND AUTHORIZATIONS****A. MUSKRAT FALLS CORPORATION****(i) Authorizations – Obtained**

Tract Name	Application No.	Type	Purpose
Permanent			
MF-MF-142704.000	142704	Grant	Dam & Powerhouse
MF-NS-142454.000	142454	Grant	North Spur (Stability)

Navigable Water Protection Act (Transport Canada)

Permit Number	Permit Name	TC File No.
4E-SLI-6100-0025	Navigable Waters Protection Act Request for Work Approval - Construction Power - and Hvac Line Construction - Muskrat Falls p-WC-1e	8200-2012-700242
4E-SLI-2000-0029	Navigable Waters Protection Act Request for Work Approval - Bulk Excavation - Pregroyne 2013	8200-2013-700011
4E-SLI-2100-0007	Navigable Waters Protection Act Request for Work Approval - Reservoir Clearing - North and South Bank	8200-2012-700245-002 (S-15) 8200-2012-700246-002 (N-08) 8200-2012-200246-003 (N-06) 8200-2012-200246-004 (N-10) 8200-2012-200246-005 (N-11) 8200-2012-200246-006 (N-35)

Water Resources Management Division, Dept. Env. & Conservation

Permit Number	Permit Name	WRMD File No.
4E-SLI-1100-0003	Alter a Body of Water - Temporary Bridge C7(5+800)	ALT627-2012
4E-SLI-1100-0014	Alter a Body of Water - Culvert C8 (7+590)	ALT6271-2012
4E-SLI-1100-0024	Alter a Body of Water - Culvert C9 (10+572)	ALT6271-2012
4E-SLI-1100-0029	Alter a Body of Water - Culvert C10 (11+837)	ALT6328-2012
4E-SLI-1100-0036	Alter a Body of Water - Culvert ACC (0+699) (Road to Accommodations Complex)	ALT6328-2012
4E-SLI-1100-0039	Alter a Body of Water – Culvert C12 (13+221)	ALT6328-2012
4E-SLI-1100-0042	Alter a Body of Water - Temporary Bridge C13 (14+084)	ALT6328-2012
4E-SLI-1100-0046	Alter a Body of Water - Culvert C14 (14+906)	ALT6432-2012

SCHEDULE "B" - PAGE 2
MF/LTA PROJECT FINANCE AGREEMENT

Permit Number	Permit Name	WRMD File No.
4E-SLI-1100-0049	Alter a Body of Water - Culvert C17 (15+710)	ALT6432-2012
4E-SLI-1100-0053	Alter a Body of Water - Culvert C18 (15+791)	ALT6432-2012
4E-SLI-1100-0056	Alter a Body of Water - Temporary Bridge C19 (19+864 McKenzie Brook)	ALT6328-2012
4E-SLI-1100-0060	Alter a Body of Water - Culvert C20 (20+625)	ALT6432-2012
4E-SLI-1100-0063	Alter a Body of Water - Culvert C21 (21+149)	ALT6432-2012
4E-SLI-1100-0066	Alter a Body of Water - Culvert C22 (21+827)	ALT6480-2012
4E-SLI-1100-0070	Alter a Body of Water Culvert Installation - Upgrades to SSAR Existing Forest Access Road	ALT6571
4E-SLI-1100-0071	Alter a Body of Water Bridge Installation - Upgrades to SSAR Existing Forest Access Road	ALT6571
4E-SLI-1320-0001	Alter a Body of Water – Construction Power Blanket permit for fording	ALT6478-2012
4E-SLI-1320-0002	Alter a Body of Water - Construction Power Blanket permit for temporary structures	ALT6478-2012
4E-SLI-1320-0003	Alter a Body of Water - Construction Power Blanket permit for work within 15 m of a waterbody	ALT6478-2012
4E-SLI-2000-0016	Alter a Body of Water - Culvert - C30 - Access Road to the Spoil Area	ALT6661-2012
4E-SLI-2000-0036	Permit to Alter a Body of Water - Culvert - Access Road to GD8	ALT6480-2012
4E-SLI-2000-0041	Alter a Body of Water - Culvert 1 - Access Road to GD11	ALT6480-2012
4E-SLI-2000-0044	Alter a Body of Water - Culvert 2 - Access Road to GD11	ALT6480-2012
4E-SLI-1500-0001	Permit for Drilling Wells (Wells # 1, 2, 3 and 4)	ND12-042
4E-SLI-1500-0002	Permit for Drilling Wells (Temporary Wells # 1 and 2)	ND12-044
4E-SLI-1500-0003	Permit for Drilling Wells (Company's Laydown Area Well # 1)	ND12-045
4E-SLI-1500-0004	Application for Water Use License (Wells # 1, 2, 3 and 4)	WUL-12-181
4E-SLI-1500-0005	Application for Water Use License (Temporary Wells # 1 and 2)	WUL-12-180
4E-SLI-1500-0006	Application for Water Use License (Company's Laydown Area Well # 1)	WUL-12-179
4E-SLI-2000-0013	DOEC Blanket Permit to Alter a Body of Water - CH0006	ALT6700-2012
4E-SLI-2000-0055	Permit to Alter a Body of Water - Schedule H (Other Alterations) - Contractors Laydown Area	ALT6504-2012

Permit Number	Permit Name	WRMD File No.
4E-SLI-2000-0056	Permit to alter a Body of Water - Stream Diversion - C22 (21+963)	ALT6480-2012
4E-SLI-0000-0034	Water Use Licence_Blanket	WUL-13-051
4E-SLI-2000-0014	DOEC Blanket Permit to Alter a Body of Water - Dams	ALT6933-2013
4E-SLI-2000-0005	Alter a Body of Water - Works within 15 m - North Spur	ALT6705-2012
4E-SLI-2000-0003	Water Use License- North Spur	WUL-12-165
4E-SLI-0000-0034	Blanket Water Use License – Muskrat Falls	WUL-13-051
4E-SLI-0000-0036	Blanket Water Use License Reservoir Clearing and Hvac Line Clearing and Construction	WUL-13-058

Fisheries Act (Federal) Authorizations

Authorization Number	Permit Name
13-01-005	Dam at Muskrat Falls

Quarry Materials Act

Permit Number	Permit Name	Service NL File No.
4E-SLI-0000-0001	Quarry Permit - SSAR - Quarry 1 + 900	125925
4E-SLI-0000-0002	Quarry Permit - SSAR - Quarry 3 + 800	125920
4E-SLI-0000-0003	Quarry Permit - SSAR - Quarry 4 + 350	125917
4E-SLI-0000-0004	Quarry Permit - SSAR - Quarry 5 + 450	125916
4E-SLI-0000-0005	Quarry Permit - SSAR - Quarry 7 + 400	125919
4E-SLI-0000-0006	Quarry Permit - SSAR - Quarry 6 + 850	125918
4E-SLI-0000-0007	Quarry Permit - SSAR - Quarry 8 + 400	125922
4E-SLI-0000-0008	Quarry Permit - SSAR - Quarry 9 + 700	125921
4E-SLI-0000-0009	Quarry Permit - SSAR - Quarry 11+ 400	125924
4E-SLI-0000-0010	Quarry Permit - SSAR - Quarry 14 + 600	125923
4E-SLI-0000-0011	Quarry Permit - SSAR - Quarry 17 + 450	124544
4E-SLI-0000-0012	Quarry Permit - SSAR - Quarry 19 + 750	125930
4E-SLI-0000-0013	Quarry Permit - SSAR - Quarry 0 + 100	125929
4E-SLI-0000-0018	Quarry Permit - SSAR Accommodations complex site	125928

SCHEDULE "B" - PAGE 4
MF/LTA PROJECT FINANCE AGREEMENT

Permit Number	Permit Name	Service NL File No.
4E-SLI-2000-0027	Quarry Permit - GD5	125914
4E-SLI-2000-0034	Quarry Permit - GD8	125915
4E-SLI-2000-0046	Quarry Permit - TD7	125927
4E-SLI-2000-0048	Quarry Permit - TD8	125926
4E-SLI-2000-0059	Quarry Permit - GD11	125832
4E-SLI-2000-0060	Quarry Permit - GD7	126942 File No. 7119982
4E-SLI-2000-0061	Quarry Permit - TD4	127561 File No. 71110055
4E-SLI-2000-0062	Quarry Permit - TD6	127562 File No. 71110056
4E-SLI-2000-0063	Quarry Permit - TD7A	127653 File No. 71110057
4E-SLI-2000-0064	Quarry Permit - TD7B	127564 File No. 71110058
4E-SLI-2800-0002	Quarry Permit_GR-2	127074 File No. 711:9987
4E-SLI-2800-0003	Quarry Permit_GR-3	127075 File No. 711:9988
4E-SLI-2800-0004	Quarry Permit_GR-4_9985	127072 File No. 711:9985
4E-SLI-2800-0005	Quarry Permit_GR-5_9983	127070 File No. 711:9983
4E-SLI-2800-0005a	Quarry Permit_GR-5_9984	127071 File No. 711:9984
4E-SLI-2800-0006	Quarry Permit_T-4B	127076 File no 711:9989
4E-SLI-2800-0007	Quarry Permit - Q1	127077 File No. 711:9990
4E-SLI-2800-0008	Quarry Permit - Q6	127448 File No. 711:10012

Forestry Act

Permit Number	Permit Name	TC File No.
4E-SLI-0000-0022	<i>Commercial Cutting/Operating Permit - 2013 Clearing Reservoir Clearing</i>	13-19-00474
4E-SLI-0000-0024	<i>Commercial Cutting/Operating Permit - 2013 Clearing_North Spur and Construction Site</i>	13-19-00467 OP-5484

Building Accessibility Act and Regulations, National Building Code of Canada, National Fire Code of Canada and Life Safety Code

Permit Number	Permit Name	Service NL File No.
4E-SLI-1500-0007	Fire and Life Safety Review and Building Accessibility / Exemption for Kitchen and mess hall	BA30086
4E-SLI-1500-0008	Fire and Life Safety Review and Building Accessibility / Exemption for 49 person dormitory_Dorm 1	EA-30023B
4E-SLI-1500-0009	Fire and Life Safety Review and Building Accessibility / Exemption for 49 person dormitory_Dorm 2	EA-30023C
4E-SLI-1500-0010	Fire and Life Safety Review and Building Accessibility / Exemption for 49 person dormitory_Dorm 3	EA-30023D
4E-CON-1500-0003	Building Accessibility Design Registration/Fire and Life Safety Review - Muskrat Falls Accommodations Camp - Corridor for Liannu	Registration # BA 30086A
4E-CON-1500-0004	Building Accessibility Exemption/Fire and Life Safety Review - Muskrat Falls Accommodations Camp - Dorm PA for Liannu	Exemption # EA-30023BD
4E-CON-1500-0005	Building Accessibility Exemption/Fire and Life Safety Review - Muskrat Falls Accommodations Camp - Dorm PB for Liannu	Exemption # EA-30023BE
4E-CON-1500-0006	Building Accessibility Exemption/Fire and Life Safety Review - Muskrat Falls Accommodations Camp - Dorm PC for Liannu	Exemption # EA-30023BF
4E-CON-1500-0007	Building Accessibility Design Registration/Fire and Life Safety Review - Muskrat Falls Accommodations Camp - Dorm PD for Liannu	BA30086C
4E-CON-1500-0008	Building Accessibility Exemption/Fire and Life Safety Review - Muskrat Falls Accommodations Camp - Dorm PE for Liannu	Exemption # EA-30023BG
4E-CON-1500-0009	Building Accessibility Exemption/Fire and Life Safety Review - Muskrat Falls Accommodations Camp - Dorm PF for Liannu	Exemption # EA-30023BH

Permit Number	Permit Name	Service NL File No.
4E-CON-1500-0010	Building Accessibility Exemption/Fire and Life Safety Review - Muskrat Falls Accommodations Camp - Dorm PG for Liannu	Exemption # EA-30023BI
4E-CON-1500-0011	Building Accessibility Exemption/Fire and Life Safety Review - Muskrat Falls Accommodations Camp - Dorm PH for Liannu	Exemption # EA-30023BJ
4E-CON-1500-0012	Building Accessibility Exemption/Fire and Life Safety Review - Muskrat Falls Accommodations Camp - Dorm PI for Liannu	Exemption # EA-30023BK
4E-CON-1500-0013	Building Accessibility Exemption/Fire and Life Safety Review - Muskrat Falls Accommodations Camp - Dorm PJ for Liannu	Exemption # EA-30023BL
4E-CON-1500-0014	Building Accessibility Exemption/Fire and Life Safety Review - Muskrat Falls Accommodations Camp - Dorm PK for Liannu	Exemption # EA-30023BM
4E-CON-1500-0015	Building Accessibility Design Registration/Fire and Life Safety Review - Muskrat Falls Accommodations Camp - Kitchen, Dining and Recreation Complex for Liannu	BA30086B

Land

Tract Name	Application No.	Type	Purpose
Temporary			
MF-NS-139181.000	139181	Licence to Occupy	North Side Construction Site
MF-MF-140593.000	140593	Easement	Distribution Line
MF-NS-140594.000	140594	Licence to Occupy	Electrical Substation
MF-MF-140595.000	140595	Permission to Occupy	Access Road (South Side)
MF-SS-140743.000	140743	Licence to Occupy	Accommodations Camp
MF-NS-140921.000	140921	Permission to Occupy	Fibre Optic Line
MF-SS-141225.000	141225	Licence to Occupy	Lay Down Yard
MF-SS-141228.000	141228	Licence to Occupy	Generating Station (south side construction)
MF-SS-141229.000	141229	Licence to Occupy	Gen. Sta.(south side shoreline reservation)
MF-SS-142843.000	142843	Licence to Occupy	Gatehouse and Parking Area for By Pass Extension to Access Road
MF-SS-141539.000	141539	Licence to Occupy	Gatehouse on Existing Access Rd.
MF-SS-142849.000	142849	Permission to Occupy	By Pass Extension to Access Rd.
MF-NS-142055.000	142055	Licence to Occupy	North Spur (north side shoreline reservation)
MF-MF-142057.000	142057	Licence to Occupy	Dam Site Water Lot
MF-SS-142670.000	142670	Licence to Occupy	Generator Pad
MF-RE-143513.000	143513	Permission to Occupy	Roads in Reservoir (north side)
MF-RE-143513.000	143513	Permission to Occupy	Additional Roads in Reservoir (north side)
MF-RE-143707.000	143707	Licence to Occupy	Accommodations Camp in Reservoir
MF-RE-143725.000	143725	Permission to Occupy	Quarry Access Roads
MF-GE-143172.000	142172	Permission to Occupy	Public Parking Area

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

CONTRACT	COMPANY	SCOPE
CH0030	Andritz Hydro Canada Inc.	Supply and Install Turbines and Generators
CH0024-001	Johnson's Construction Inc.	Construction of Reservoir Clearing – North and South Banks
CH0006-001	IKC-ONE Earthworks Constructors, a Partnership	Construction of Bulk Excavation Works
CH0002-001	Liannu Limited Partnership	Supply and Install Accommodations Complex Buildings
		Engineering, Procurement and Construction Management (EPCM) Services

Power Purchase Agreement between Muskrat Falls Corporation and Newfoundland and Labrador Hydro

(iii) Additional Material Documents to be entered into

CONTRACT	COMPANY	SCOPE
CH0007	Astaldi Canada Inc.	Construction of Intakes & Powerhouse, Spillway and Transition Dams
CH0032	Andritz Hydro Canada Inc.	Supply and Install of Powerhouse Hydro-Mechanical Equipment
		Construction of North and South Dams
		Provision of Catering, Housekeeping & Janitorial Services (MF)
		Supply of Generator Step-up Transformers
		Supply of Generator Circuit Breakers

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

Land

	Application No.	Type	Purpose
MF-SS-143845.000	143845	Easement	Access Road (south side)
MF-NS-143846.000	143846	Easement	Access Road (North Spur)

Navigable Water Protection Act (Transport Canada)

Permit Number	Permit Name	TC File No.
4E-SLI-2000-0001	Navigable Waters Protection Act Request for Work Approval - CH0006 to CH0009 - Muskrat Falls Generation Facility and Reservoir	8200-2013-700011
4E-CON-0000-0005	Navigable Waters Protection Act Request for Work Approval _Reservoir Clearing - Wharf for Johnson's Construction	8200-2013-200054-001

Quarry Materials Act

Permit Number	Permit Name	Service NL File No.
4E-SLI-0000-0035	Blanket Quarry Permit - Reservoir Clearing	

Building Accessibility Act and Regulations, National Building Code of Canada, National Fire Code of Canada and Life Safety Code

Permit Number	Permit Name	Service NL File No.
4E-CON-1500-0016	Building Accessibility Design Registration/Fire and Life Safety Review - Muskrat Falls Accommodations Camp - Phase 2 Kitchen, Dining and Recreation Complex for Liannu	

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

Nil.

B. LABRADOR TRANSMISSION CORPORATION

(i) **Authorizations – Obtained**

Tract Name	Application No.	Type	Purpose
Permanent			
LT-GE-140744.000	140744	Statutory Easement	315kv Hvac Transmission Line
		Lease	735kv Hvac Transmission Line
LT-SS-142056.000	142056	Grant	Switch Yard (Muskrat Falls)

Development Permits

Development Permit No. 159839 – Access Trails & Bypass Trails
 Development Permit No. 159568 – Crossings & Parallels
 Development Permit No. 160201 – Gull Island Work Camp
 Development Permit No. 160210 – Metchin River Work Camp
 Development Permit No. 161355 - Churchill Falls Terminal Station
 Development Permit No. 166236 – Quarry 2 & 3

Navigable Water Protection Act (Transport Canada)

Permit Number	Permit Name	TC File No.
4E-SLI-6100-0005	Navigable Waters Protection Act Request for Work Approval - Overhead Lines Hvac Line	8200-2012-700250-002-030
4E-SLI-6100-0004	Navigable Waters Protection Act Request for Work Approval - bridges for access roads for Hvac Line	8200-2012-700244-002 8200-2012-700244-003

Water Resources Management Division, Dept. Env. & Conservation

Permit Number	Permit Name	WRMD File No.
4E-SLI-0000-0017	Blanket Permit (AC Line and RC) Alter Body of Water - Within 15m	ALT6655-2012
4E-SLI-0000-0015	Blanket Permit (AC Line and RC) Alter Body of Water - temp structures	ALT6625-2012
4E-SLI-0000-0016	Blanket Permit (AC Line and RC) to Alter a Body of Water - Forging	ALT6655-2012
4E-SLI-6000-0001	Permit for Drilling Water Well - Marshalling yard	GW7161-2013

Quarry Materials Act

Permit Number	Permit Name	Service NL File No.
4E-SLI-6100-0006	Blanket Quarry Permit - HVac Line Corridor	127619 File No. 71110105
4E-SLI-6100-0012	Quarry Permit - Marshalling Yard (GD-1)	126941 File No. 7119981

Forestry Act

Permit Number	Permit Name	TC File No.
4E-SLI-0000-0021	Commercial Cutting/Operating Permit - 2013 Clearing for Hvac Line	13-19-00468 OP-5484

Building Accessibility Act and Regulations, National Building Code of Canada, National Fire Code of Canada and Life Safety Code

Permit Number	Permit Name	Service NL File No.
4E-SLI-1320-0007	Building Accessibility Design Registration / Exemption Registration for Control Building/Substation	EA-22483
4E-SLI-1320-0008	Fire and Life Safety Review Plan (National Building Code) for Control Building/Substation	
4E-SLI-6000-0003	Fire and Life Safety Review and Building Accessibility Exemption - Marshalling Yard - power shed	EA-30023BN
4E-SLI-6000-0004	Fire and Life Safety Review and Building Accessibility Registration - Marshalling Yard - office complex	BA30086D
4E-CON-1580-0001	Building Accessibility Exemption /Fire and Life Safety Review - Churchill Falls Temporary Accommodations Camp - Kitchen for Humber Valley Paving	EA-30023AA
4E-CON-1580-0002	Building Accessibility Exemption /Fire and Life Safety Review - Churchill Falls Temporary Accommodations Camp - 30 bed dormitory Dorm 1 for Humber Valley Paving	EA-30023AB
4E-CON-1580-0003	Building Accessibility Exemption /Fire and Life Safety Review - Churchill Falls Temporary Accommodations Camp - 30 bed dormitory Dorm 2 for Humber Valley Paving	EA-30023AC
4E-CON-1580-0004	Building Accessibility Exemption /Fire and Life Safety Review - Churchill Falls Temporary Accommodations Camp - 30 bed dormitory Dorm 3 for Humber Valley Paving	EA-30023AD
4E-CON-1580-0005	Building Accessibility Exemption /Fire and Life Safety Review - Churchill Falls Temporary Accommodations	EA-30023AE

Permit Number	Permit Name	Service NL File No.
	Camp - 30 bed dormitory Dorm 4 for Humber Valley Paving	
4E-CON-1580-0006	Building Accessibility Exemption /Fire and Life Safety Review - Churchill Falls Temporary Accommodations Camp - 30 bed dormitory Dorm 5 for Humber Valley Paving	EA-30023AF

Land

Tract Name	Application No.	Type	Purpose
Temporary			
LT-GE-140744.000	140744	Permission to Occupy	315kv Hvac Transmission Line
LT-EC-142054.000	142054	Licence to Occupy	Accommodations Camp
LT-WC-142245.000	142245	Licence to Occupy	Accommodations Camp
LT-GE-143080.000	143080	Licence to Occupy	Marshalling Yard
LT-GE-143895.000	143895	Licence to Occupy	Landing/Parking Areas

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

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

Generator Interconnection Agreement between Labrador Transmission Corporation, Muskrat Falls Corporation and Newfoundland and Labrador Hydro in its capacity as NL System Operator

(iii) Additional Material Documents to be entered into

CONTRACT	COMPANY	SCOPE
CT0319		Construction of 315 kV Hvac Transmission Line (MF to CF)
CD0502		Construction of AC Substation and Synchronous Condensers Facilities

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

Land

	Application No.	Type	Purpose
LT-CF-144312.000	144312	Grant	Switch Yard (Churchill Falls)
LT-GE-140744.000	140744	Statutory Easement	Portion of 315kv Hvac Transmission Line on CF(L)Co Land
		Statutory Easement	735kv Hvac Transmission Line

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

Nil.

SCHEDULE "C"

APPLICABLE LAWS

1. MF Plant

Nil.

2. LTA

Nil.

SCHEDULE "D"

ENVIRONMENT

1. MF Plant

Nil.

2. LTA

Nil.

SCHEDULE "E"

SOURCES AND USES OF FUNDS

On the date indicated below, and concurrently with the execution and delivery of the Underwriting Agreement, Muskrat and Labrador Transco have delivered this Schedule and the attached information and documents to the Collateral Agent pursuant to Section 10.29 of the Muskrat/LTA Project Finance Agreement.

Executed as of _____.

MUSKRAT FALLS CORPORATION,
as a Credit Party

Per: _____

Per: _____

**LABRADOR TRANSMISSION
CORPORATION,**
as a Credit Party

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. MUSKRAT FALLS CORPORATION**1.1. Jurisdiction of formation

Newfoundland and Labrador, Canada

1.2. Persons holding Capital Stock

- Nalcor Energy

1.3. Nature of Capital Stock

- Share certificate No. C-001 dated November 15, 2013 registered in the name of Nalcor Energy representing 100 common shares in the Capital Stock of Muskrat Falls Corporation

1.4. Location of the principal place of business

500 Columbus Drive, P.O. Box 15000 STN. A, St. John's, NL A1B 0M4

1.5. Location of the registered and chief executive offices

500 Columbus Drive, P.O. Box 15000 STN. A, St. John's, NL A1B 0M4

1.6. Exact Name

Muskrat Falls Corporation

2. LABRADOR TRANSMISSION CORPORATION2.1. Jurisdiction of formation

Newfoundland and Labrador, Canada

2.2. Persons holding Capital Stock

- Nalcor Energy

2.3. Nature of Capital Stock

- Share 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 Transmission Corporation

2.4. Location of the principal place of business

500 Columbus Drive, P.O. Box 15100 STN. A, St. John's, NL A1B 0M6

2.5. Location of the registered and chief executive offices

500 Columbus Drive, P.O. Box 15100 STN. A, St. John's, NL A1B 0M6

2.6. Exact Name

Labrador Transmission 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 MF/LTA Project Finance Agreement among, *inter alia*, Muskrat Falls Corporation and Labrador Transmission Corporation (collectively the "**Borrower**"), Muskrat Falls/Labrador Transmission Assets Funding 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 Projects 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 Muskrat Falls Corporation ("**Muskrat**") and Labrador Transmission Corporation ("**Labrador Transco**"), as borrowers, Muskrat Falls/Labrador Transmission Assets Funding Trust (the "**Funding Vehicle**"), as lender, 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 "**Muskrat/LTA 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 the Funding Vehicle, Computershare Trust Company of Canada, as security trustee, Nalcor Energy, Her Majesty The Queen In Right of the Province of Newfoundland and Labrador, Muskrat, as a credit party, and Labrador Transco, as a credit party (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 Muskrat/LTA Project Finance Agreement in respect of the fiscal quarter of Muskrat ending on <@> (the "**MF Quarter**") and in respect of the fiscal quarter of Labrador Transco ending on <@> (the "**Labrador Transco Quarter**").

I, <@>, the undersigned, the <@> of Muskrat, in my capacity as an officer of Muskrat and without personal liability, do hereby certify the matters set forth in Section A below, and I, <@>, the undersigned, the <@> of Labrador Transco, in my capacity as an officer of Labrador Transco and without personal liability, do hereby certify the matters set forth in Section B below:

A. MUSKRAT MATTERS

1. Attached hereto as Part I of Schedule "A" is a true and accurate assessment and analysis of the MF Plant's compliance with each material category in the Annual Maintenance Plan relating to the MF Plant (the "**Muskrat Annual Maintenance Plan**");

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

B. LABRADOR TRANSCO MATTERS

5. Attached hereto as Part II of Schedule "A" is a true and accurate assessment and analysis of the LTA's compliance with each material category in the Annual Maintenance Plan relating to the LTA (the "**Labrador Transco Annual Maintenance Plan**");
6. Attached hereto as Part II of Schedule "B" is a true and accurate assessment of all material casualty losses incurred during the Labrador Transco Quarter and on a year-to-date basis;
7. Attached hereto as Part II of Schedule "C" is a true and accurate assessment of all replacements of material equipment not contemplated by the Labrador Transco Annual Maintenance Plan that have taken place during the Labrador Transco Quarter and on a year-to-date basis; and
8. Attached hereto as Part II of Schedule "D" is a true and accurate assessment of all works performed during the Labrador Transco Quarter and to date pursuant to the Labrador Transco Annual Maintenance Plan.

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

Name: <@>
Title: <@> of Muskrat Falls Corporation

Name: <@>
Title: <@> of Labrador Transmission Corporation

SCHEDULE "A"**Part I - Muskrat**

[NOTE TO DRAFT: Please provide a numerical and narrative assessment of the MF Plant's compliance with each material category in the Muskrat Annual Maintenance Plan during the Muskrat Quarter and on a year-to-date basis, and an analysis of any variance thereof.]

Part II - Labrador Transco

[NOTE TO DRAFT: Please provide a numerical and narrative assessment of the LTA's compliance with each material category in the applicable Labrador Transco Annual Maintenance Plan during the Labrador Transco Quarter and on a year-to-date basis, and an analysis of any variance thereof.]

SCHEDULE "B"**Part I - Muskrat**

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

Part II - Labrador Transco

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

SCHEDULE "C"**Part I - Muskrat**

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

Part II - Labrador Transco

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

SCHEDULE "D"**Part I - Muskrat**

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

Part II - Labrador Transco

[NOTE TO DRAFT: Please provide a numerical and narrative assessment of all works performed during the Labrador Transco Quarter and to date pursuant to the Labrador Transco 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 Muskrat Falls Corporation ("**Muskrat**") and Labrador Transmission Corporation ("**Labrador Transco**"), as borrowers, Muskrat Falls/Labrador Transmission Assets Funding Trust (the "**Funding Vehicle**"), as lender, 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 "**Muskrat/LTA Project Finance Agreement**").

We also refer you to the master definitions agreement entered into among, *inter alia*, the Collateral Agent and lead arranger, BNY Trust Company of Canada, as issuer trustee of the Funding Vehicle, Computershare Trust Company of Canada, as security trustee, Nalcor Energy, Her Majesty The Queen In Right of the Province of Newfoundland and Labrador, Muskrat, as a credit party, and Labrador Transco, as a credit party (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 7.4.2 and Section 11.3 of the Muskrat/LTA Project Finance Agreement in respect of the month ending on <@> (the "**Applicable Month**").

I, <@>, the undersigned, the <@> of Muskrat, in my capacity as an officer of Muskrat and without personal liability, do hereby certify the matters set forth in Section A below, and I, <@>, the undersigned, the <@> of Labrador Transco, in my capacity as an officer of Labrador Transco and without personal liability, do hereby certify the matters set forth in Section B below:

A. MUSKRAT MATTERS

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 MF Plant;
2. Attached hereto as Part I of Schedule "A" is a true and accurate table detailing the Hard Costs incurred as at the Effective Date in such prior month with respect to the MF Plant by and compared as against the original MF Project Budget.
3. Attached hereto as Part I of Schedule "B" is a true and accurate analysis of the Cost to Complete the MF Plant as at the end of the Applicable Month.
4. Attached hereto as Part I of Schedule "C" is a true and accurate analysis of the Cost Variances for the MF Plant as at the end of the Applicable Month, with a narrative explanation as to any variances.
5. The estimated Commissioning Date is currently <@>. [<@>Please refer to Part I of 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 MF Project Schedule.]**
6. There are no material disputes with any Material Project Participant related to the MF Plant and any related claims against Muskrat, other than as set out in Part I of Schedule "E" hereto.
7. Attached hereto as Part I of Schedule "F" is a true and accurate report describing the progress of the construction of the MF Plant since the previous Construction Report.
8. The MF Plant is being built substantially in all respects in accordance with the MF Project Plans and Good Utility Practice.
9. Subject to Sections 9.5 and 9.14 of the Muskrat/LTA Project Finance Agreement, I have no reason to believe that the MF Plant is being built in violation of any Applicable Laws or Authorizations pertaining to the MF Plant in effect at the time of performance of the relevant work.
10. Subject to Sections 9.5 and 9.14 of the Muskrat/LTA Project Finance Agreement, all Authorizations which, under Applicable Law, at such time are necessary to have been obtained in connection with the MF Plant and the work currently being performed on the MF Plant, 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 Credit Parties of attaining Commissioning by the Date Certain.
11. Subject to Sections 9.5 and 9.14 of the Muskrat/LTA Project Finance Agreement, all Material Project Participants related to the MF Plant and other Persons participating or working toward the Commissioning of the MF Plant, 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 Muskrat 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 Muskrat 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 of its Assets, except for Permitted Encumbrances.

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

B. LABRADOR TRANSCO MATTERS

13. 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 LTA;
14. Attached hereto as Part II of Schedule "A" is a true and accurate table detailing the Hard Costs incurred as at the Effective Date in such prior month with respect to the LTA and compared as against the original LTA Project Budget.
15. Attached hereto as Part II of Schedule "B" is a true and accurate analysis of the Cost to Complete the LTA as at the end of the Applicable Month.
16. Attached hereto as Part II of Schedule "C" is a true and accurate analysis of the Cost Variances for the LTA as at the end of the Applicable Month, with a narrative explanation as to any variances.
17. The estimated Commissioning Date is currently <@>. [**<@>**Please refer to Part II of 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 LTA Project Schedule.]**
18. There are no material disputes with any Material Project Participant related to the LTA and any related claims against Labrador Transco, other than as set out in Part II of Schedule "E" hereto.
19. Attached hereto as Part II of Schedule "F" is a true and accurate report describing the progress of the construction of the LTA since the previous Construction Report.
20. The LTA is being built substantially in all respects in accordance with the LTA Project Plans and Good Utility Practice.
21. Subject to Sections 9.5 and 9.14 of the Muskrat/LTA Project Finance Agreement, I have no reason to believe that the LTA is being built in violation of any Applicable Laws or

Authorizations pertaining to the LTA in effect at the time of performance of the relevant work.

22. Subject to Sections 9.5 and 9.14 of the Muskrat/LTA Project Finance Agreement, all Authorizations which, under Applicable Law, at such time are necessary to have been obtained in connection with the LTA and the work currently being performed on the LTA, 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 Credit Parties of attaining Commissioning by the Date Certain.
23. That, subject to Sections 9.5 and 9.14 of the Muskrat/LTA Project Finance Agreement, all Material Project Participants related to the LTA and other Persons participating or working toward the Commissioning of the LTA, to the best of our Knowledge, are not in material default with respect to any of their respective obligations which would delay Commissioning beyond the Date Certain and Labrador Transco 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 Labrador Transco 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 of its Assets, except for Permitted Encumbrances.
24. Attached hereto as Part II of Schedule "G" is a true and complete copy of each of the Additional Material Project Documents entered into by Labrador Transco since **[the previous Construction Report / the Closing Date]**.

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

Name: <@>
Title: <@> of Muskrat Falls Corporation

Name: <@>
Title: <@> of Labrador Transmission Corporation

SCHEDULE "A"

Part I - Hard Costs for the MF Plant

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

Part II - Hard Costs for the LTA

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

SCHEDULE "B"

Part I - Muskrat Cost to Complete

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

Part II - Labrador Transco Cost to Complete

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

SCHEDULE "C"**Part I - Muskrat Cost Variances**

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

Part II - Labrador Transco Cost Variances

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

SCHEDULE "D"**Part I - Muskrat Estimated Commissioning Date**

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

Part II - Labrador Transco Estimated Commissioning Date

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

SCHEDULE "E"

Part I - Muskrat Material Disputes

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

Part II - Labrador Transco Material Disputes

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

SCHEDULE "F"**Part I - MF Plant Construction Progress**

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

Part II - LTA Construction Progress

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

SCHEDULE "G"**Part I - Muskrat Additional Material Project Documents**

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

Part II - Labrador Transco Additional Material Project Documents

[NOTE TO DRAFT: Please attach copies of the Additional Material Project Documents entered into by Labrador Transco 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 Muskrat Falls Corporation ("**Muskrat**") and Labrador Transmission Corporation ("**Labrador Transco**"), as borrowers, Muskrat Falls/Labrador Transmission Assets Funding Trust (the "**Funding Vehicle**"), as lender, 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 "**Muskrat/LTA 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 the Funding Vehicle, Computershare Trust Company of Canada, as security trustee, Nalcor Energy, Her Majesty The Queen In Right of the Province of Newfoundland and Labrador, Muskrat, as a credit party, and Labrador Transco, as a credit party (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 7.9.1 of the Muskrat/LTA Project Finance Agreement.

I, <@>, the <@> of Muskrat, hereby solemnly declare and certify the matters set forth in paragraphs <@> to <@> below in my capacity as an officer of Muskrat and without personal liability, and I, <@>, the <@> of Labrador Transco, hereby solemnly declare and certify the matters set forth in paragraphs <@> to <@> below in my capacity as an officer of Labrador Transco and without personal liability, 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 and without personal liability:

A. GENERAL STATEMENTS OF THE OFFICER

1. I am are familiar with the MF Plant and with all matters herein certified and have made reasonable inquiries as to such matters;

- 2. I am are familiar with the LTA and with all matters herein certified and have made reasonable inquiries as to such matters;
- 3. I have taken cognizance of the terms of the Muskrat/LTA Project Finance Agreement and all Material Project Documents;

A. COST VARIANCES

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

B. PUNCH LIST COSTS AND DEMOBILIZATION COSTS

- 6. Muskrat Punch List Costs amount to: CDN\$_____
- 7. Labrador Transco Punch List Costs amount to: CDN\$_____
- 8. Muskrat Demobilization Costs amount to: CDN\$_____
- 9. Labrador Transco Demobilization Costs amount to: CDN\$_____

C. COMMISSIONING MATTERS

- 10. 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;
- 11. all Commissioning Tests, interconnection and reliability tests necessary to demonstrate that the Projects meet the specifications and the operating objectives for the Projects 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
- 12. 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 Projects, the Projects will not be able to maintain such required specifications and operating objectives for a period of at least thirty-five (35) 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, we have signed this present Commissioning Certificate in _____, Province of Newfoundland and Labrador on this _____ (____th) day of _____, _____.

 <@>
 <@> of Muskrat Falls Corporation

 <@>
 <@> of Labrador Transmission 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 Muskrat Falls Corporation and Labrador Transmission
Corporation – Conditions Precedent to Commissioning**

We refer you to the financing agreement dated as of November 29, 2013 entered into among Muskrat Falls Corporation ("**Muskrat**") and Labrador Transmission Corporation ("**Labrador Transco**"), as borrowers, Muskrat Falls/Labrador Transmission Assets Funding Trust (the "**Funding Vehicle**"), as lender, 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 "**Muskrat/LTA 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 the Funding Vehicle, Computershare Trust Company of Canada, as security trustee, Nalcor Energy, Her Majesty The Queen In Right of the Province of Newfoundland and Labrador, Muskrat, as a credit party, and Labrador Transco, as a credit party (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 7.9 of the Muskrat/LTA 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****MUSKRAT FALLS/LABRADOR
TRANSMISSION ASSETS FUNDING
TRUST**

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

MUSKRAT FALLS CORPORATION

500 Columbus Drive
P.O. Box 15000, Station A
St. John's, NL A1B 0M4

**LABRADOR TRANSMISSION
CORPORATION**

500 Columbus Drive
P.O. Box 15100, Station A
St. John's, NL A1B 0M6

SCHEDULE "N"

DISTRIBUTION CERTIFICATEDate: **Note 1**

The Toronto-Dominion Bank
as Collateral Agent

Gentlemen:

We refer you to the financing agreement dated as of November 29, 2013 entered into among Muskrat Falls Corporation ("**Muskrat**") and Labrador Transmission Corporation ("**Labrador Transco**"), as borrowers, Muskrat Falls/Labrador Transmission Assets Funding Trust (the "**Funding Vehicle**"), as lender, 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 "**Muskrat/LTA 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 the Funding Vehicle, Computershare Trust Company of Canada, as security trustee, Nalcor Energy, Her Majesty The Queen In Right of the Province of Newfoundland and Labrador, Muskrat, as a credit party, and Labrador Transco, as a credit party (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.

[**Muskrat/Labrador Transco**] 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 Muskrat/LTA Project Finance Agreement.

I, <@>, the undersigned, the <@> of [**Muskrat/Labrador Transco**], in my capacity as an officer of [**Muskrat/Labrador Transco**] and without personal liability, do hereby certify that:

1. As at the Distribution Date, the Distribution Funds with respect to [**Muskrat/Labrador Transco**] will amount to CDN\$_____, which corresponds to the sum of the following items:

(a) cash in the [**Muskrat/Labrador Transco**] Project Funding Account: CDN\$ **Note 2**

(b) cash in the [**Muskrat/Labrador Transco**] 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 [Muskrat Falls Corporation/
Labrador Transmission 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 [**Muskrat/Labrador Transco**] Project Funding Account pursuant to paragraphs (a) to (i) of clause 8.2.2.2 of the Muskrat/LTA 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 Muskrat Falls Corporation ("**Muskrat**") and Labrador Transmission Corporation ("**Labrador Transco**"), as borrowers, Muskrat Falls/Labrador Transmission Assets Funding Trust (the "**Funding Vehicle**"), as lender, 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 "**Muskrat/LTA 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 the Funding Vehicle, Computershare Trust Company of Canada, as security trustee, Nalcor Energy, Her Majesty The Queen In Right of the Province of Newfoundland and Labrador, Muskrat, as a credit party, and Labrador Transco, as a credit party (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 7.6.1, 7.7.1 and 7.8.1 of the Muskrat/LTA Project Finance Agreement.

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

A. MUSKRAT FUNDING REQUIREMENTS

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

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

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

B. LABRADOR TRANSCO FUNDING REQUIREMENTS

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

Sources of Funds for the Funding Requirements of Labrador Transco	
Application of Aggregate Labrador Transco Project Funding Account and Operating Account Balances	CDN\$ _____ (see Schedule "F" for details)
LTA Debt Rateable Share of the Funding Requirements of Labrador Transco	CDN\$ _____ (see Schedule "G" for details)
LTA Equity Rateable Share of the Funding Requirements of Labrador Transco	CDN\$ _____ (see Schedule "H" for details)

C. OTHER MUSKRAT MATTERS

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

1. a reconciliation of amounts disbursed from the Muskrat Project Operating Account to amounts set forth and approved in any Funding Request provided during the previous month is provided in Schedule "I" hereto;
2. Soft Costs incurred for the MF Plant as at Note 2 amount to CDN\$ _____ and are described in Schedule "J" hereto; and
3. no Muskrat/LTA Event of Default has occurred and is continuing.

D. OTHER LABRADOR TRANSCO MATTERS

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

1. a reconciliation of amounts disbursed from the Labrador Transco Project Operating Account to amounts set forth and approved in any Funding Request provided during the previous month is provided in Schedule "K" hereto;

2. Soft Costs incurred for the LTA as at **Note 2** amount to CDN\$ and are described in Schedule "L" hereto; and
3. no Muskrat/LTA 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,

MUSKRAT FALLS CORPORATION

**LABRADOR TRANSMISSION
 CORPORATION**

Per: _____

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 of Muskrat

- 1. the Muskrat Final Eligible Project Costs amount to (see Section B below for details): CDN\$ _____
- 2. Muskrat's Project Rateable Share of the Minimum DSRA Requirement is CDN\$ **Note 1**
- 3. the Muskrat Punch List Costs amount to: CDN\$ _____
- 4. the Muskrat Demobilization Costs amount to: CDN\$ _____
- 5. the Funding Requirements of Muskrat amount to: CDN\$ **Note 2**
- 6. the Final Funding Muskrat Rateable Share of the funding of the Final Eligible Project Costs is: **Note 3** %
- 7. the Final Funding Muskrat Rateable Share of the funding of Muskrat's Project Rateable Share of the Minimum DSRA Requirement is: **Note 4** %
- 8. the Final Funding Muskrat Rateable Share of the funding of the Muskrat Punch List Costs is: **Note 5** %
- 9. the Final Funding Muskrat Rateable Share of the funding of the Muskrat Demobilization Costs is: **Note 6** %
- 10. the amount of the equity Investment made in Muskrat in accordance with paragraph 7.10.1.3 of the Muskrat /LTA Project Finance Agreement is: CDN\$ **Note 7**

B. Calculation of Muskrat Final Eligible Project Costs

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

C. Calculation of the MF Project Costs

- 12. Hard Costs for the MF Plant amount to (see Section D below for details): CDN\$_____
- 13. Soft Costs for the MF Plant amount to (see Section E below for details): CDN\$_____
- 14. all other MF Project Costs amount to: CDN\$ **Note 8**
- 15. MF Project Costs amount to: CDN\$ **Note 9**

Notes:

- 1. This amount is determined by multiplying Muskrat's Project Rateable Share with the Minimum DSRA Requirement.
- 2. This amount is equal to the sum of lines 1 to 4 of this Schedule, inclusively.
- 3. The Final Funding Muskrat 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.
- 4. The Final Funding Muskrat 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.
- 5. The Final Rateable Muskrat Share of the funding of the Punch List Costs is determined by dividing line 3 of this Schedule with line 5 of the Schedule.
- 6. The Final Rateable Muskrat Share of the funding of the Demobilization Costs is determined by dividing line 4 of this Schedule with line 5 of this Schedule.
- 7. Insert the amount of the equity Investment made in Muskrat 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 7.10.1.3 of the Muskrat/LTA Project Finance Agreement.
- 8. This amount includes all other costs, fees and expenses relating to the development, construction and closing of financing of the MF Plant, 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 Muskrat Material Project Document and the fees, costs and expenses forming part of the Various Agent Costs and Expenses, the Canada Project Costs and Expenses and the Funding Vehicle Project Costs and Expenses, all as described in the MF Project Budget, whether such MF Project Costs are incurred by Nalcor prior to the Closing Date or by Muskrat at any time.
- 9. This amount is equal to the sum of lines 12 to 14 of this Schedule, inclusively.

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

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

B. Calculation of Muskrat's Project Rateable Share of the Working Capital Reserve Account Balance

4. The balance on deposit in the Working Capital Reserve Account is: CDN\$ **Note 4**
5. Muskrat's Project Rateable Share of the Working Capital Reserve Account Balance is: CDN\$ **Note 5**

C. Calculation of Aggregate Muskrat Account Balances

6. the Aggregate Muskrat Project Funding Account and Operating Account Balances is: CDN\$ **Note 6**
7. Muskrat's Project Rateable Share of the Working Capital Reserve Account Balance is: CDN\$ **Note 7**
8. the Aggregate Muskrat Account Balances amounts to: CDN\$ **Note 8**

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

9. the Funding Requirements of Muskrat are: CDN\$ **Note 9**
10. the portion of the Aggregate Muskrat Account Balances used to fund the Funding Requirements of Muskrat is: CDN\$ **Note 10**

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

11. the portion of the Aggregate Muskrat Account Balances attributable to the funding of the Muskrat Final Eligible Project Costs CDN\$ **Note 11**

12. the portion of the Aggregate Muskrat Account Balances attributable to the funding of Muskrat's Project Rateable Share of the Minimum DSRA Requirement is: CDN\$ **Note 12**
13. the portion of the Aggregate Muskrat Account Balances attributable to the funding of the Muskrat Punch List Costs is: CDN\$ **Note 13**
14. the portion of the Aggregate Muskrat Account Balances attributable to the funding of the Muskrat Demobilization Costs is: CDN\$ **Note 14**

Notes:

1. This amount is determined after the application of paragraphs 8.2.1.2 to 8.2.1.8, inclusively, of the Muskrat/LTA Project Finance Agreement and includes any Income on Account Balances deriving from any amounts deposited in the Muskrat Project Funding Account.
2. This amount is determined after the application of paragraph 8.3.2.1 to 8.3.2.4 of the Muskrat/LTA Project Finance Agreement and corresponds to that portion of the balance of the Muskrat Project Operating Account that **(a)** is comprised of Income on Account Balances deriving from any amounts deposited in the Muskrat Project Operating Account pursuant to a previous Funding Request or **(b)** is comprised of the balance of any amounts deposited into the Muskrat Project Operating Account pursuant to a previous Funding Request, and that had been so deposited for purposes of funding MF 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 Income on Account Balances deriving therefrom.
5. This amount is determined by multiplying Muskrat's Project Rateable Share with line 4 of this Schedule.
6. Insert the amount in line 3 of this Schedule.
7. Insert the amount in line 5 of this Schedule.
8. This amount is equal to the sum of lines 6 and 7 of this Schedule.
9. Insert the amount in line 5 of Schedule "A".
10. This amount corresponds to the lesser of line 9 and line 8 of this Schedule.

11. This amount is determined by multiplying line 6 of Schedule "A" with line 10 of this Schedule.
12. This amount is determined by multiplying line 7 of Schedule "A" with line 10 of this Schedule.
13. This amount is determined by multiplying line 8 of Schedule "A" with line 10 of this Schedule.
14. This amount is determined by multiplying line 9 of Schedule "A" with line 10 of this Schedule.

SCHEDULE "C"**A. The MF Debt Rateable Share of the Funding Requirements of Muskrat**

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

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

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

C. Aggregate amount of the required Funds Release

11. the aggregate amount of the required Funds Release required is: CDN\$ Note 11

Notes:

1. Insert the amount in line 5 of Schedule "A".

2. Insert the amount in line 10 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 of Muskrat is made prior to the date on which DER first becomes equal to 65%, the MF Debt Rateable Share corresponds to 100%.

(ii) Where the funding of the Funding Requirements of Muskrat is made following the date on which DER first becomes equal to 65% but prior to the Muskrat/LTA Proceeds Account Balance being fully released, the MF Debt Rateable Share corresponds to 65%, unless, as a result thereof, Muskrat is unable fund such MF Debt Rateable Share of the Funding Requirements of Muskrat in its entirety by reason of (a) the Muskrat/LTA Proceeds Account Balance being equal to nil further to the Funds Release requested to fund such MF Debt Rateable Share of the Funding Requirements of Muskrat and (b) not proposing to incur Additional Debt in an amount sufficient to fund the remaining portion of the MF Debt Rateable Share of the Funding Requirements of Muskrat, in which case the MF Debt Rateable Share shall correspond to the following:

$$65\% - 100 \times \left[\frac{R * - (\text{line 4 of this Schedule} + \text{line 11 of this Schedule})}{\text{line 3 of this Schedule}} \right]$$

* R = 65% × (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 of Funds Release required being greater than the Muskrat/LTA Proceeds Account Balance, the amount to be inserted in line 11 of this Schedule shall be equal to the Muskrat/LTA Proceeds Account Balance.

SCHEDULE "D"**A. The MF Equity Rateable Share of the Funding Requirements of Muskrat**

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

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

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

C. Aggregate amount to be invested pursuant to the MFESA

10. the aggregate amount to be invested in Muskrat pursuant the MFESA 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 "E"

A. Calculation of Funding Requirements of Labrador Transco

- 1. the Labrador Transco Final Eligible Project Costs amount to (see Section B below for details): CDN\$ _____
- 2. Labrador Transco's Project Rateable Share of the Minimum DSRA Requirement is CDN\$ **Note 1**
- 3. the Labrador Transco Punch List Costs amount to: CDN\$ _____
- 4. the Labrador Transco Demobilization Costs amount to: CDN\$ _____
- 5. the Funding Requirements of Labrador Transco amount to: CDN\$ **Note 2**
- 6. the Final Funding Labrador Transco Rateable Share of the funding of the Final Eligible Project Costs is: **Note 3** %
- 7. the Final Funding Labrador Transco Rateable Share of the funding of Labrador Transco's Project Rateable Share of the Minimum DSRA Requirement is: **Note 4** %
- 8. the Final Funding Labrador Transco Rateable Share of the funding of the Labrador Transco Punch List Costs is: **Note 5** %
- 9. the Final Funding Labrador Transco Rateable Share of the funding of the Labrador Transco Demobilization Costs is: **Note 6** %
- 10. the amount of the equity Investment made in Labrador Transco in accordance with paragraph 7.10.1.3 of the Muskrat /LTA Project Finance Agreement is: CDN\$ **Note 7**

B. Calculation of Labrador Transco Final Eligible Project Costs

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

C. Calculation of the LTA Project Costs

- 12. Hard Costs for the LTA amount to (see Section D below for details): CDN\$_____
- 13. Soft Costs for the LTA amount to (see Section E below for details): CDN\$_____
- 14. all other LTA Project Costs amount to: CDN\$ **Note 8**
- 15. LTA Project Costs amount to: CDN\$ **Note 9**

Notes:

- 1. This amount is determined by multiplying Labrador Transco's Project Rateable Share with the Minimum DSRA Requirement.
- 2. This amount is equal to the sum of lines 1 to 4 of this Schedule, inclusively.
- 3. The Final Funding Labrador Transco 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.
- 4. The Final Funding Labrador Transco 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.
- 5. The Final Rateable Labrador Transco Share of the funding of the Punch List Costs is determined by dividing line 3 of this Schedule with line 5 of the Schedule.
- 6. The Final Rateable Labrador Transco Share of the funding of the Demobilization Costs is determined by dividing line 4 of this Schedule with line 5 of this Schedule.
- 7. Insert the amount of the equity Investment made in Labrador Transco 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 7.10.1.3 of the Muskrat/LTA Project Finance Agreement.
- 8. This amount includes all other costs, fees and expenses relating to the development, construction and closing of financing of the LTA, 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 Labrador Transco Material Project Document and the fees, costs and expenses forming part of the Various Agent Costs and Expenses, the Canada Project Costs and Expenses and the Funding Vehicle Project Costs and Expenses, all as described in the LTA Project Budget, whether such

LTA Project Costs are incurred by Nalcor prior to the Closing Date or by Labrador Transco at any time.

9. This amount is equal to the sum of lines 12 to 14 of this Schedule, inclusively.

SCHEDULE "F"**A. Calculation of Aggregate Labrador Transco Project Funding Account and Operating Account Balances**

1. the balance on deposit in the Labrador Transco Project Funding Account is: CDN\$ **Note 1**
2. the balance on deposit in the Labrador Transco Project Operating Account is: CDN\$ **Note 2**
3. the Aggregate Labrador Transco Project Funding Account and Operating Account Balances amounts to: CDN\$ **Note 3**

B. Calculation of Labrador Transco's Project Rateable Share of the Working Capital Reserve Account Balance

4. The balance on deposit in the Working Capital Reserve Account is: CDN\$ **Note 4**
5. Labrador Transco's Project Rateable Share of the Working Capital Reserve Account Balance is: CDN\$ **Note 5**

C. Calculation of Aggregate Labrador Transco Account Balances

6. the Aggregate Labrador Transco Project Funding Account and Operating Account Balances is: CDN\$ **Note 6**
7. Labrador Transco's Project Rateable Share of the Working Capital Reserve Account Balance is: CDN\$ **Note 7**
8. the Aggregate Labrador Transco Account Balances amounts to: CDN\$ **Note 8**

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

9. the Funding Requirements of Labrador Transco are: CDN\$ **Note 9**
10. the portion of the Aggregate Labrador Transco Account Balances used to fund the Funding Requirements of Labrador Transco is: CDN\$ **Note 10**

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

11. the portion of the Aggregate Labrador Transco Account Balances attributable to the funding of the Labrador Transco Final Eligible Project Costs CDN\$ **Note 11**
12. the portion of the Aggregate Labrador Transco Account Balances attributable to the funding of Labrador Transco's Project Rateable Share of the Minimum DSRA Requirement is: CDN\$ **Note 12**
13. the portion of the Aggregate Labrador Transco Account Balances attributable to the funding of the Labrador Transco Punch List Costs is: CDN\$ **Note 13**
14. the portion of the Aggregate Labrador Transco Account Balances attributable to the funding of the Labrador Transco Demobilization Costs is: CDN\$ **Note 14**

Notes:

1. This amount is determined after the application of paragraphs 8.8.1.2 to 8.8.1.8, inclusively, of the Muskrat/LTA Project Finance Agreement and includes any Income on Account Balances deriving from any amounts deposited in the Labrador Transco Project Funding Account.
2. This amount is determined after the application of paragraph 8.9.2.1 to 8.9.2.4 of the Muskrat/LTA Project Finance Agreement and corresponds to that portion of the balance of the Labrador Transco Project Operating Account that **(a)** is comprised of Income on Account Balances deriving from any amounts deposited in the Labrador Transco Project Operating Account pursuant to a previous Funding Request or **(b)** is comprised of the balance of any amounts deposited into the Labrador Transco Project Operating Account pursuant to a previous Funding Request, and that had been so deposited for purposes of funding LTA 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 Income on Account Balances deriving therefrom.
5. This amount is determined by multiplying Labrador Transco's Project Rateable Share with line 4 of this Schedule.

6. Insert the amount in line 3 of this Schedule.
7. Insert the amount in line 5 of this Schedule.
8. This amount is equal to the sum of lines 6 and 7 of this Schedule.
9. Insert the amount in line 5 of Schedule "E".
10. This amount corresponds to the lesser of line 9 and line 8 of this Schedule.
11. This amount is determined by multiplying line 6 of Schedule "E" with line 10 of this Schedule.
12. This amount is determined by multiplying line 7 of Schedule "E" with line 10 of this Schedule.
13. This amount is determined by multiplying line 8 of Schedule "E" with line 10 of this Schedule.
14. This amount is determined by multiplying line 9 of Schedule "E" with line 10 of this Schedule.

SCHEDULE "G"**A. The LTA Debt Rateable Share of the Funding Requirements of Labrador Transco**

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

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

7. the funding of the Labrador Transco Final Eligible Project Costs amounts to: CDN\$ Note 7
8. the funding of Labrador Transco's Project Rateable Share of the Minimum DSRA Requirement amounts to: CDN\$ Note 8
9. the funding of the Labrador Transco Punch List Costs amounts to: CDN\$ Note 9
10. the funding of the Labrador Transco Demobilization Costs amounts to: CDN\$ Note 10

C. Aggregate amount of the required Funds Release

11. the aggregate amount of the required Funds Release is: CDN\$ Note 11

Notes:

1. Insert the amount in line 5 of Schedule "E".
2. Insert the amount in line 10 of Schedule "F".
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 of Labrador Transco is made prior to the date on which DER first becomes equal to 65%, the LTA Debt Rateable Share corresponds to 100%.

(ii) Where the funding of the Funding Requirements of Labrador Transco is made following the date on which DER first becomes equal to 65% but prior to the Muskrat/LTA Proceeds Account Balance being fully released, the LTA Debt Rateable Share corresponds to 65%, unless, as a result thereof, Labrador Transco is unable fund such LTA Debt Rateable Share of the Funding Requirements of Labrador Transco in its entirety by reason of (a) the Muskrat/LTA Proceeds Account Balance being equal to nil further to the Funds Release requested to fund such LTA Debt Rateable Share of the Funding Requirements of Labrador Transco and (b) not proposing to incur Additional Debt in an amount sufficient to fund the remaining portion of the LTA Debt Rateable Share of the Funding Requirements of Labrador Transco, in which case the LTA Debt Rateable Share shall correspond to the following:

$$65\% - 100 \times \left[\frac{R * - (\text{line 4 of this Schedule} + \text{line 11 of this Schedule})}{\text{line 3 of this Schedule}} \right]$$

* R = 65% × (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 "E" with line 6 of this Schedule.
8. This amount is determined by multiplying line 7 of Schedule "E" with line 6 of this Schedule.
9. This amount is determined by multiplying line 8 of Schedule "E" with line 6 of this Schedule.

10. This amount is determined by multiplying line 9 of Schedule "E" 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 of Funds Release required being greater than the Muskrat/LTA Proceeds Account Balance, the amount to be inserted in line 11 of this Schedule shall be equal to the Muskrat/LTA Proceeds Account Balance.

SCHEDULE "H"**A. The LTA Equity Rateable Share of the Funding Requirements of Labrador Transco**

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

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

6. the funding of the Labrador Transco Final Eligible Project Costs under the [LTA Base Equity Commitment / LTA Contingency Equity Commitment] amounts to: CDN\$ Note 6
7. the funding of Labrador Transco's Project Rateable Share of the Minimum DSRA Requirement under the LTA DSRA Equity Commitment amounts to: CDN\$ Note 7
8. the funding of the Labrador Transco Punch List Costs under the [LTA Base Equity Commitment / LTA Contingency Equity Commitment] amounts to: CDN\$ Note 8
9. the funding of the Labrador Transco Demobilization Costs under the [Base Equity Commitment / Contingency Equity Commitment] amounts to: CDN\$ Note 9

C. Aggregate amount to be invested pursuant to the LTAESA

10. the aggregate amount to be invested in Labrador Transco pursuant the LTAESA amounts to: CDN\$ Note 10

Notes:

1. Insert the amount in line 5 of Schedule "E".
2. Insert the amount in line 9 of Schedule "F".
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 "G".
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 "E" with line 5 of this Schedule, and subtracting therefrom an amount corresponding to the result of line 6 of Schedule "E" multiplied by line 10 of Schedule "E".
7. This amount is determined by multiplying line 7 of Schedule "E" with line 5 of this Schedule, and subtracting therefrom an amount corresponding to the result of line 7 of Schedule "E" multiplied by line 10 of Schedule "E".
8. This amount is determined by multiplying line 8 of Schedule "E" with line 5 of this Schedule, and subtracting therefrom an amount corresponding to the result of line 8 of Schedule "E" multiplied by line 10 of Schedule "E".
9. This amount is determined by multiplying line 9 of Schedule "E" with line 5 of this Schedule, and subtracting therefrom an amount corresponding to the result of line 9 of Schedule "E" multiplied by line 10 of Schedule "E".
10. This amount is equal to the sum of lines 6 to 9 of this Schedule.

SCHEDULE "K"

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

SCHEDULE "L"

[NOTE TO DRAFT: Calculations of Soft Costs for the MF Plant to be included.]

SCHEDULE "M"

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

SCHEDULE "N"

[NOTE TO DRAFT: Calculations of Soft Costs for the LTA 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 Muskrat Falls Corporation ("**Muskrat**") and Labrador Transmission Corporation ("**Labrador Transco**"), as borrowers, Muskrat Falls/Labrador Transmission Assets Funding Trust (the "**Funding Vehicle**"), as lender, 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 "**Muskrat/LTA 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 the Funding Vehicle, Computershare Trust Company of Canada, as security trustee, Nalcor Energy, Her Majesty The Queen In Right of the Province of Newfoundland and Labrador, Muskrat, as a credit party, and Labrador Transco, as a credit party (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 7.3.4 of the Muskrat/LTA 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.

A. MUSKRAT FUNDING REQUIREMENTS

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

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

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

B. LABRADOR TRANSCO FUNDING REQUIREMENTS

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

Sources of Funds for the Funding Requirements of Labrador Transco	
Application of Aggregate Labrador Transco Project Funding Account and Operating Account Balances	CDN\$ _____ (see Schedule "F" for details)
LTA Debt Rateable Share of the Funding Requirements of Labrador Transco	CDN\$ _____ (see Schedule "G" for details)
LTA Equity Rateable Share of the Funding Requirements of Labrador Transco	CDN\$ _____ (see Schedule "H" for details)

C. OTHER MUSKRAT MATTERS

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

1. the Permitted Investments made with the funds in the Muskrat Project Accounts are described in Schedule "I" hereto;
2. a reconciliation of amounts disbursed from the Muskrat Project Operating Account to amounts set forth and approved in any Funding Request provided during the previous month is provided in Schedule "J" hereto;
3. Soft Costs incurred for the MF Plant as at Note 2 amount to CDN\$ _____ and are described in Schedule "K" hereto; and
4. no Muskrat/LTA Event of Default has occurred and is continuing.

D. OTHER LABRADOR TRANSCO MATTERS

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

1. the Permitted Investments made with the funds in the Labrador Transco Project Accounts are described in Schedule "L" hereto;

2. a reconciliation of amounts disbursed from the Labrador Transco Project Operating Account to amounts set forth and approved in any Funding Request provided during the previous month is provided in Schedule "M" hereto;
3. Soft Costs incurred for the LTA as at Note 2 amount to CDN\$_____ and are described in Schedule "N" hereto; and
4. no Muskrat/LTA 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]

MUSKRAT FALLS CORPORATION

**LABRADOR TRANSMISSION
CORPORATION**

Per: _____

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 of Muskrat

- 1. the Eligible Project Costs for the MF Plant as at the Effective Date amount to (see Section B below for details): CDN\$ _____
- 2. the deficiency in the Working Capital Reserve Account attributable to MF Project Costs amounts to: CDN\$ **Note 1**
- 3. the amount of the equity Investment made in Muskrat in accordance with paragraph 7.10.1.3 of the Muskrat/LTA Project Finance Agreement is: CDN\$ **Note 2**
- 4. the Funding Requirements of Muskrat amount to: CDN\$ **Note 3**

B. Calculation of Eligible Project Costs for the MF Plant

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

C. Calculation of the MF Project Costs

- 6. Hard Costs for the MF Plant amount to: CDN\$ _____
- 7. Soft Costs for the MF Plant amount to: CDN\$ _____
- 8. all other MF Project Costs amount to: CDN\$ **Note 4**
- 9. MF 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), and then adding thereto all amounts that were withdrawn from the Working Capital Reserve Account in order to fund LTA Project Costs. Where the result of this subtraction is a negative number, insert 0. Where the conditions precedent set forth in Section 7.11 of the Muskrat/LTA Project Finance Agreement apply to the Funds Release to which this Funding Request relates, this amount will be 0.
- 2. Insert the amount of the equity Investment made in Muskrat 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 7.10.1.3 of the Muskrat/LTA 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 MF Plant, 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 Muskrat Material Project Document and Muskrat's Project Rateable Share of the fees, costs and expenses forming part of the Various Agent Costs and Expenses, the Canada Project Costs and Expenses and the Funding Vehicle Project Costs and Expenses, all as described in the MF Project Budget, whether such MF Project Costs are incurred by Nalcor prior to the Closing Date or by Muskrat 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 Muskrat Project Funding Account and Operating Account Balances

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

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

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

Notes:

- 1. This amount is determined after the application of paragraphs 8.2.1.2 to 8.2.1.8, inclusively, of the Muskrat/LTA Project Finance Agreement and includes any Income on Account Balances deriving therefrom.
- 2. This amount is determined after the application of paragraph 8.3.2.1 to 8.3.2.4 of the Muskrat/LTA Project Finance Agreement and corresponds to that portion of the balance of the Muskrat Project Operating Account that **(i)** is comprised of Income on Account Balances deriving from any amounts deposited in the Muskrat Project Operating Account pursuant to a previous Funding Request or **(ii)** is comprised of the balance of any amounts deposited into the Muskrat Project Operating Account pursuant to a previous Funding Request, and that had been so deposited for purposes of funding MF 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 of Muskrat**

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

B. Aggregate amount of the required Funds Release

7. the aggregate amount of the required Funds Release 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 of Muskrat.
5. (i) Where the funding of the Funding Requirements of Muskrat is made prior to the date on which DER first becomes equal to 65%, the MF Debt Rateable Share corresponds to 100%.

(ii) Where the funding of the Funding Requirements of Muskrat is made following the date on which DER first becomes equal to 65% but prior to the Muskrat/LTA Proceeds Account Balance being fully released, the MF Debt Rateable Share corresponds to 65%.

unless, as a result thereof, Muskrat is unable fund such MF Debt Rateable Share of the Funding Requirements of Muskrat in its entirety by reason of (a) the Muskrat/LTA Proceeds Account Balance being equal to nil further to the Funds Release requested to fund such MF Debt Rateable Share of the Funding Requirements of Muskrat and (b) not proposing to incur Additional Debt in an amount sufficient to fund the remaining portion of the MF Debt Rateable Share of the Funding Requirements of Muskrat, in which case the MF Debt Rateable Share shall correspond to the following:

$$65\% - 100 \times \left[\frac{R * - (\text{line 4 of this Schedule} + \text{line 7 of this Schedule})}{\text{line 3 of this Schedule}} \right]$$

* R = 65% × (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 of Funds Release required being greater than the Muskrat/LTA Proceeds Account Balance, the amount to be inserted in line 7 of this Schedule shall be equal to the Muskrat/LTA Proceeds Account Balance.

SCHEDULE "D"**A. MF Equity Rateable Share of the Funding Requirements of Muskrat**

1. the Funding Requirements are: CDN\$ Note 1
2. the portion of the Aggregate Muskrat Project Funding Account and Operating Account Balances used to fund the Funding Requirements of Muskrat is: CDN\$ Note 2
3. the portion of the Funding Requirements of Muskrat to which the MF Equity Rateable Share applies is: CDN\$ Note 3
4. the MF Equity Rateable Share is: Note 4 %
5. the MF Equity Rateable Share of the Funding Requirements is: CDN\$ Note 5
6. the amount of the equity Investment made in Muskrat in accordance with paragraph 7.10.1.3 of the Muskrat/LTA Project Finance Agreement is: CDN\$ Note 6

B. Aggregate amount to be invested pursuant to the MFESA

7. the equity investment required to be made pursuant to the MFESA 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 MF 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"

A. Calculation of Funding Requirements of Labrador Transco

- 1. the Eligible Project Costs for the LTA as at the Effective Date amount to (see Section B below for details): CDN\$ _____
- 2. the deficiency in the Working Capital Reserve Account attributable to LTA Project Costs amounts to: CDN\$ **Note 1**
- 3. the amount of the equity Investment made in Labrador Transco in accordance with paragraph 7.10.1.3 of the Muskrat/LTA Project Finance Agreement is: CDN\$ **Note 2**
- 4. the Funding Requirements of Labrador Transco amount to: CDN\$ **Note 3**

B. Calculation of Eligible Project Costs for the LTA

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

C. Calculation of the LTA Project Costs

- 6. Hard Costs for the LTA amount to: CDN\$ _____
- 7. Soft Costs for the LTA amount to: CDN\$ _____
- 8. all other LTA Project Costs amount to: CDN\$ **Note 4**
- 9. LTA 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), and then adding thereto all amounts that were withdrawn from the Working Capital Reserve Account in order to fund LTA Project Costs. Where the result of this subtraction is a negative number, insert 0. Where the conditions precedent set forth in Section 7.11 of the Muskrat/LTA Project Finance Agreement apply to the Funds Release to which this Funding Request relates, this amount will be 0.

2. Insert the amount of the equity Investment made in Labrador Transco 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 7.10.1.3 of the Muskrat/LTA 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 LTA, 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 Labrador Transco Material Project Document and Labrador Transco's Project Rateable Share of the fees, costs and expenses forming part of the Various Agent Costs and Expenses, the Canada Project Costs and Expenses and the Funding Vehicle Project Costs and Expenses, all as described in the LTA Project Budget, whether such LTA Project Costs are incurred by Nalcor prior to the Closing Date or by Labrador Transco at any time.
5. This amount is equal to the sum of lines 6 to 8 of this Schedule, inclusively.

SCHEDULE "F"

A. Calculation of Aggregate Labrador Transco Project Funding Account and Operating Account Balances

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

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

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

Notes:

- 1. This amount is determined after the application of paragraphs 8.8.1.2 to 8.8.1.8, inclusively, of the Muskrat/LTA Project Finance Agreement and includes any Income on Account Balances deriving therefrom.
- 2. This amount is determined after the application of paragraph 8.9.2.1 to 8.9.2.4 of the Muskrat/LTA Project Finance Agreement and corresponds to that portion of the balance of the Labrador Transco Project Operating Account that **(i)** is comprised of Income on Account Balances deriving from any amounts deposited in the Labrador Transco Project Operating Account pursuant to a previous Funding Request or **(ii)** is comprised of the balance of any amounts deposited into the Labrador Transco Project Operating Account pursuant to a previous Funding Request, and that had been so deposited for purposes of funding LTA 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 "E".
- 5. This amount corresponds to the lesser of line 4 and line 3 of this Schedule.

SCHEDULE "G"**A. The Debt Rateable Share of the Funding Requirements of Labrador Transco**

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

B. Aggregate amount of the required Funds Release

7. the aggregate amount of the required Funds Release is: CDN\$ Note 7

Notes:

1. Insert the amount in line 4 of Schedule "E".
2. Insert the amount in line 5 of Schedule "F".
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 of Labrador Transco.
5. (i) Where the funding of the Funding Requirements of Labrador Transco is made prior to the date on which DER first becomes equal to 65%, the LTA Debt Rateable Share corresponds to 100%.

(ii) Where the funding of the Funding Requirements of Labrador Transco is made following the date on which DER first becomes equal to 65% but prior to the Muskrat/LTA Proceeds Account Balance being fully released, the LTA Debt Rateable

Share corresponds to 65%, unless, as a result thereof, Labrador Transco is unable fund such LTA Debt Rateable Share of the Funding Requirements of Labrador Transco in its entirety by reason of (a) the Muskrat/LTA Proceeds Account Balance being equal to nil further to the Funds Release requested to fund such LTA Debt Rateable Share of the Funding Requirements of Labrador Transco and (b) not proposing to incur Additional Debt in an amount sufficient to fund the remaining portion of the LTA Debt Rateable Share of the Funding Requirements of Labrador Transco, in which case the LTA Debt Rateable Share shall correspond to the following:

$$65\% - 100 \times \left[\frac{R * - (\text{line 4 of this Schedule} + \text{line 7 of this Schedule})}{\text{line 3 of this Schedule}} \right]$$

$$* R = 65\% \times (\text{line 3 of this Schedule})$$

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 of Funds Release required being greater than the Muskrat/LTA Proceeds Account Balance, the amount to be inserted in line 7 of this Schedule shall be equal to the Muskrat/LTA Proceeds Account Balance.

SCHEDULE "H"**A. LTA Equity Rateable Share of the Funding Requirements of Labrador Transco**

1. the Funding Requirements are: CDN\$ **Note 1**
2. the portion of the Aggregate Labrador Transco Project Funding Account and Operating Account Balances used to fund the Funding Requirements of Labrador Transco is: CDN\$ **Note 2**
3. the portion of the Funding Requirements of Labrador Transco to which the LTA Equity Rateable Share applies is: CDN\$ **Note 3**
4. the LTA Equity Rateable Share is: **Note 4%**
5. the LTA Equity Rateable Share of the Funding Requirements is: CDN\$ **Note 5**
6. the amount of the equity Investment made in Labrador Transco in accordance with paragraph 7.10.1.3 of the Muskrat/LTA Project Finance Agreement is: CDN\$ **Note 6**

B. Aggregate amount to be invested pursuant to the LTAESA

7. the equity investment required to be made pursuant to the LTAESA 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 LTA Equity Rateable Share corresponds to 100% minus line 5 of Schedule "G".
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 "E".
7. This amount is determined by subtracting line 6 of this Schedule from line 5 of this Schedule.

SCHEDULE "I"

[NOTE TO DRAFT: Please include details regarding the Permitted Investments in the Muskrat Project Accounts.]

SCHEDULE "J"

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

SCHEDULE "K"

[NOTE TO DRAFT: Calculations of Soft Costs for the MP Plant to be included.]

SCHEDULE "L"

[NOTE TO DRAFT: Please include details regarding the Permitted Investments in the Labrador Transco Project Accounts.]

SCHEDULE "M"

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

SCHEDULE "N"

[NOTE TO DRAFT: Calculations of Soft Costs for the LTA 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 MF/LTA Project Finance Agreement among, *inter alia*, Muskrat Falls Corporation and Labrador Transmission Corporation (collectively the "**Borrower**"), Muskrat Falls/Labrador Transmission Assets Funding 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 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 Muskrat/LTA 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 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"

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 Muskrat Falls Corporation ("**Muskrat**") and Labrador Transmission Corporation ("**Labrador Transco**"), as borrowers, Muskrat Falls/Labrador Transmission Assets Funding Trust (the "**Funding Vehicle**"), as lender, 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 "**Muskrat/LTA 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 the Funding Vehicle, Computershare Trust Company of Canada, as security trustee, Nalcor Energy, Her Majesty The Queen In Right of the Province of Newfoundland and Labrador, Muskrat, as a credit party, and Labrador Transco, as a credit party (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 Muskrat/LTA Project Finance Agreement.

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

1. I have taken cognizance of the Muskrat/LTA Project Finance Agreement and each of the other Muskrat/LTA Project Finance Documents, and all of the terms, representations and warranties, covenants and conditions of the Muskrat/LTA Project Finance Agreement and each of the other Muskrat/LTA 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 Muskrat/LTA Project Finance Agreement / Closing Date**<@>**] and all conditions and requirements of the Muskrat/LTA Project Finance Agreement and of the other Muskrat/LTA Project Finance Documents and of all other deeds or agreements governing the borrowings of the Credit Parties, have been accomplished and satisfied and we do not know of the existence, as of the date hereof, of a condition or of any fact whatsoever, constituting a Muskrat/LTA 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 Muskrat/LTA 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 Muskrat/LTA 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 combined basis for the Credit Parties on a rolling twelve (12) month period, was _____ (see Schedule "B" for the calculations of the Retrospective DSCR)¹.
6. As at _____, 20__, being the last day of the [**Quarter/Year**] immediately preceding the date of this certificate, the Prospective DSCR, calculated on a combined basis for the Credit Parties, was _____ (see Schedule "C" for the calculations of the Prospective DSCR):

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

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

Name: <@>
Title: <@> of Muskrat Falls Corporation

Name: <@>
Title: <@> of Labrador Transmission Corporation

SCHEDULE "A"

CONDITIONS CONSTITUTING A MUSKRAT/LTA EVENT OF DEFAULT

[NOTE TO DRAFT: Delete if not applicable.]

SCHEDULE "B"

CALCULATION OF RETROSPECTIVE DSCR

(i) the Base Cash Flow for the period of the most recently completed twelve (12) calendar months (line (a) + line (b) – (line (c)):	CDN\$ _____
(a) Contracted Revenues	CDN\$ _____
(b) Liquidity Reserves	CDN\$ <u> Note 1 </u>
(c) Cash Operating Costs	CDN\$ _____
(ii) the Total Debt Service for the period of the most recently completed twelve (12) calendar months:	CDN\$ <u> Note 2 </u>
Retrospective DSCR = $\frac{(i)}{(ii)}$ =	CDN\$ _____

Note:

1. The amount of Liquidity Reserves should only be added where the calculation is made at any time prior to the LRA Release Date.
2. 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.

SCHEDULE "C"

CALCULATION OF PROSPECTIVE DSCR

(i) the Base Cash Flow for the period twelve (12) calendar months immediately following the date of this certificate (line (a) + line (b) – (line (c)):	CDN\$_____
(a) Contracted Revenues	CDN\$_____
(b) Liquidity Reserves	CDN\$ <u> Note 1 </u>
(c) Cash Operating Costs	CDN\$_____
(ii) the Total Debt Service for such period:	CDN\$ <u> Note 2 </u>
 Prospective DSCR = $\frac{(i)}{(ii)}$ =	 CDN\$_____

Notes:

1. The amount of Liquidity Reserves should only be added where the calculation is made at any time prior to the LRA Release Date.
2. 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.

SCHEDULE "S"**DRAW REQUEST**Date: **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 Muskrat Falls Corporation ("**Muskrat**") and Labrador Transmission Corporation ("**Labrador Transco**"), as borrowers, Muskrat Falls/Labrador Transmission Assets Funding Trust (the "**Funding Vehicle**"), as lender, 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 "**Muskrat/LTA 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 the Funding Vehicle, Computershare Trust Company of Canada, as security trustee, Nalcor Energy, Her Majesty The Queen In Right of the Province of Newfoundland and Labrador, Muskrat, as a credit party, and Labrador Transco, as a credit party (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 3.5 of the MF/LTA Project Finance Agreement, we hereby request the single Drawdown under the Muskrat/LTA Construction Facility in an amount of CDN\$ **Note 2** or **Note 3** .

For that purpose, we hereby represent and warrant that each and every one of the representations and warranties made under the MF/LTA Project Finance Agreement are true and correct on the date of this 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 MF/LTA Event of Default has occurred and is continuing.

Yours truly,

MUSKRAT FALLS CORPORATION

Per: _____

**LABRADOR TRANSMISSION
CORPORATION**

Per: _____

Notes:

1. Draw Request must be delivered at least five (5) Business Days prior to the Drawdown Date.
2. Insert the amount of the Single Drawdown. The Drawdown will be apportioned rateably amongst each of the Tranches.
3. Insert proposed Drawdown Date.

SCHEDULE "T"

MINIMUM DSRA REQUIREMENT

On the date indicated below, and concurrently with the execution and delivery of the Underwriting Agreement, Muskrat and Labrador Transco have delivered this Schedule and the attached information and documents to the Collateral Agent pursuant to Section 10.29 of the Muskrat/LTA Project Finance Agreement.

Executed as of _____.

MUSKRAT FALLS CORPORATION,
as a Credit Party

Per: _____

Per: _____

**LABRADOR TRANSMISSION
CORPORATION,**
as a Credit Party

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

Muskrat Falls

Description	BUDGET
Owner, Admin and EPCM	\$ 378,968,667
Feasibility engineering	\$ 18,344,723
Environmental and regulatory compliance	\$ 20,311,595
Aboriginal Affairs	\$ 13,314,334
Procurement and Construction	\$ 2,719,626,411
Commercial and Legal	\$ 20,456,716
Contingency	\$ 94,255,099
Grand Total	\$ 3,265,277,545

LOWER CHURCHILL PROJECT - PHASE 1
Project Budget - Hard Costs
28-Nov-13

Labrador Transmission Assets

Description	BUDGET
Owner, Admin and EPCM	\$ 76,238,494
Feasibility engineering	\$ 256,102
Environmental and regulatory compliance	\$ 709,697
Aboriginal Affairs	\$ 188,302
Procurement and Construction	\$ 626,869,403
Commercial and Legal	\$ 2,030,054
Contingency	\$ 14,029,875
Grand Total	\$ 720,321,928

PART II

SOFT COSTS

On the date indicated below, and concurrently with the execution and delivery of the Underwriting Agreement, Muskrat and Labrador Transco have delivered this Schedule and the attached information and documents to the Collateral Agent pursuant to Section 10.29 of the Muskrat/LTA Project Finance Agreement.

Executed as of _____.

MUSKRAT FALLS CORPORATION,
as a Credit Party

Per: _____

Per: _____

**LABRADOR TRANSMISSION
CORPORATION,**
as a Credit Party

Per: _____

Per: _____

SCHEDULE "V"
PROJECT SCHEDULE

(See attached)

Lower Churchill Project - Milestone Schedule

Muskrat Falls Generation - Milestone Schedule

<u>Milestone Description</u>	<u>Date</u>
Project Sanction	17-Dec-2012
North Spur Works Ready for Diversion	30-Nov-2015
River Diversion Complete	09-Nov-2016
Reservoir Impoundment Complete	19-Nov-2017
Powerhouse Unit 1 Commissioned - Ready for Operation	30-Dec-2017
First Power from Muskrat Falls	30-Dec-2017
Powerhouse Unit 2 Commissioned - Ready for Operation	18-Feb-2018
Powerhouse Unit 3 Commissioned - Ready for Operation	12-Apr-2018
Powerhouse Unit 4 Commissioned - Ready for Operation	22-May-2018
Full Power from Muskrat Falls	22-May-2018
Commissioning Complete - Commissioning Certificate Issued	01-Jun-2018
Date Certain	28-Feb-2019

Lower Churchill Project - Milestone Schedule

Labrador Transmission Asset - Milestone Schedule

<u>Milestone Description</u>	<u>Date</u>
Project Sanction	17-Dec-2012
HVac Transmission Line Construction Complete	08-Jun-2016
Churchill Falls Switchyard Ready to Energize	31-May-2017
Muskrat Falls Switchyard Ready to Energize	31-May-2017
Ready for Power Transmission	31-May-2017
Commissioning Complete - Commissioning Certificate Issued	01-Jun-2018
Date Certain	28-Feb-2019

SCHEDULE "W"

MUSKRAT/LTA 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 Muskrat Falls Corporation ("**Muskrat**") and Labrador Transmission Corporation ("**Labrador Transco**"), as borrowers, Muskrat Falls/Labrador Transmission Assets Funding Trust (the "**Funding Vehicle**"), as lender, 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 "**Muskrat/LTA 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 the Funding Vehicle, Computershare Trust Company of Canada, as security trustee, Nalcor Energy, Her Majesty The Queen In Right of the Province of Newfoundland and Labrador, Muskrat, as a credit party, and Labrador Transco, as a credit party (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 3.7 of the Muskrat/LTA Project Finance Agreement, we hereby notify you that on Note 1, we shall make a Muskrat/LTA Voluntary Prepayment to the Collateral Agent, for the account of the Funding Vehicle, at the Collateral Agent's Office.

You will find attached hereto as Schedule "A" an example of how the amount of the Muskrat/LTA Voluntary Prepayment is calculated in accordance with the provisions of subsection 3.7.1 of the Muskrat/LTA Project Finance Agreement.¹

¹ The amount of the MF/LTA Voluntary Prepayment must be equal to the sum of (i) the aggregate principal amount of the Muskrat/LTA Construction Loan; (ii) accrued and unpaid interest on such principal amount, in an aggregate amount which 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 Muskrat/LTA Make-Whole Amount.

Yours truly,

MUSKRAT FALLS CORPORATION

Per: _____

**LABRADOR TRANSMISSION
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 Muskrat/LTA 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 Muskrat Falls Corporation ("**Muskrat**") and Labrador Transmission Corporation ("**Labrador Transco**"), as borrowers, Muskrat Falls/Labrador Transmission Assets Funding Trust (the "**Funding Vehicle**"), as lender, 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 "**Muskrat/LTA 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 the Funding Vehicle, Computershare Trust Company of Canada, as security trustee, Nalcor Energy, Her Majesty The Queen In Right of the Province of Newfoundland and Labrador, Muskrat, as a credit party, and Labrador Transco, as a credit party (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 [7.10/7.11] of the Muskrat/LTA Project Finance Agreement, the undersigned hereby requests a WCR Release from the Working Capital Reserve Account for deposit into the [Muskrat / Labrador Transco] 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 for the [MF Plant/LTA] 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 the aforementioned Eligible Project Costs. As such, we hereby notify you that an equity Investment in [Muskrat / Labrador Transco] 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 Muskrat/LTA 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 Muskrat/LTA 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,

[<@>MUSKRAT FALLS
CORPORATION /
LABRADOR TRANSMISSION
CORPORATION<@>]

Per: _____

Notes:

1. The WCR Release and Equity Funding Notice must be delivered at 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 for the [MF Plant/LTA] 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, Muskrat and Labrador Transco have delivered this Schedule and the attached information and documents to the Collateral Agent pursuant to Section 10.29 of the Muskrat/LTA Project Finance Agreement.

Executed as of _____.

MUSKRAT FALLS CORPORATION,
as a Credit Party

Per: _____

Per: _____

**LABRADOR TRANSMISSION
CORPORATION,**
as a Credit Party

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)

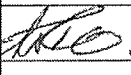
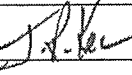

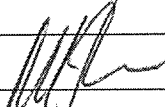

Nalcor Energy – Lower Churchill Project



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)


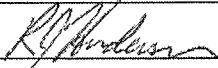

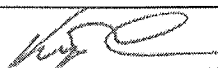

Department	Department Manager Approval	Date
Manager System Planning	 Paul Humphries	
Manager System Operations	 Robert Henderson	
Project Manager Muskrat Falls & Infrastructure	 Scott O'Brien	
Project Manager HVdc Specialties & Switchyards	 Darren DeBourke	
Project Manager Overland Transmission	 Kyle 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

- 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 kWs/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

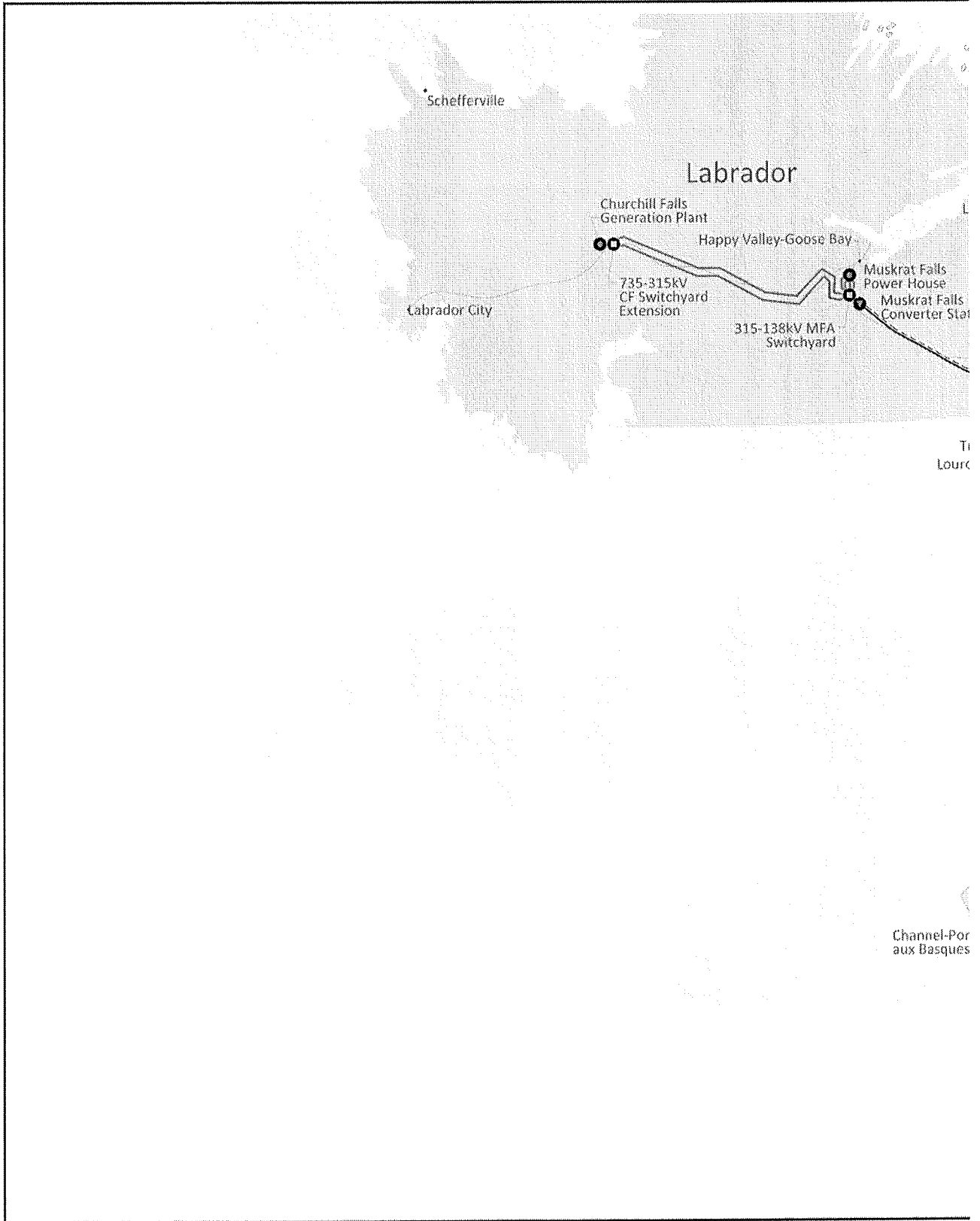
N/A

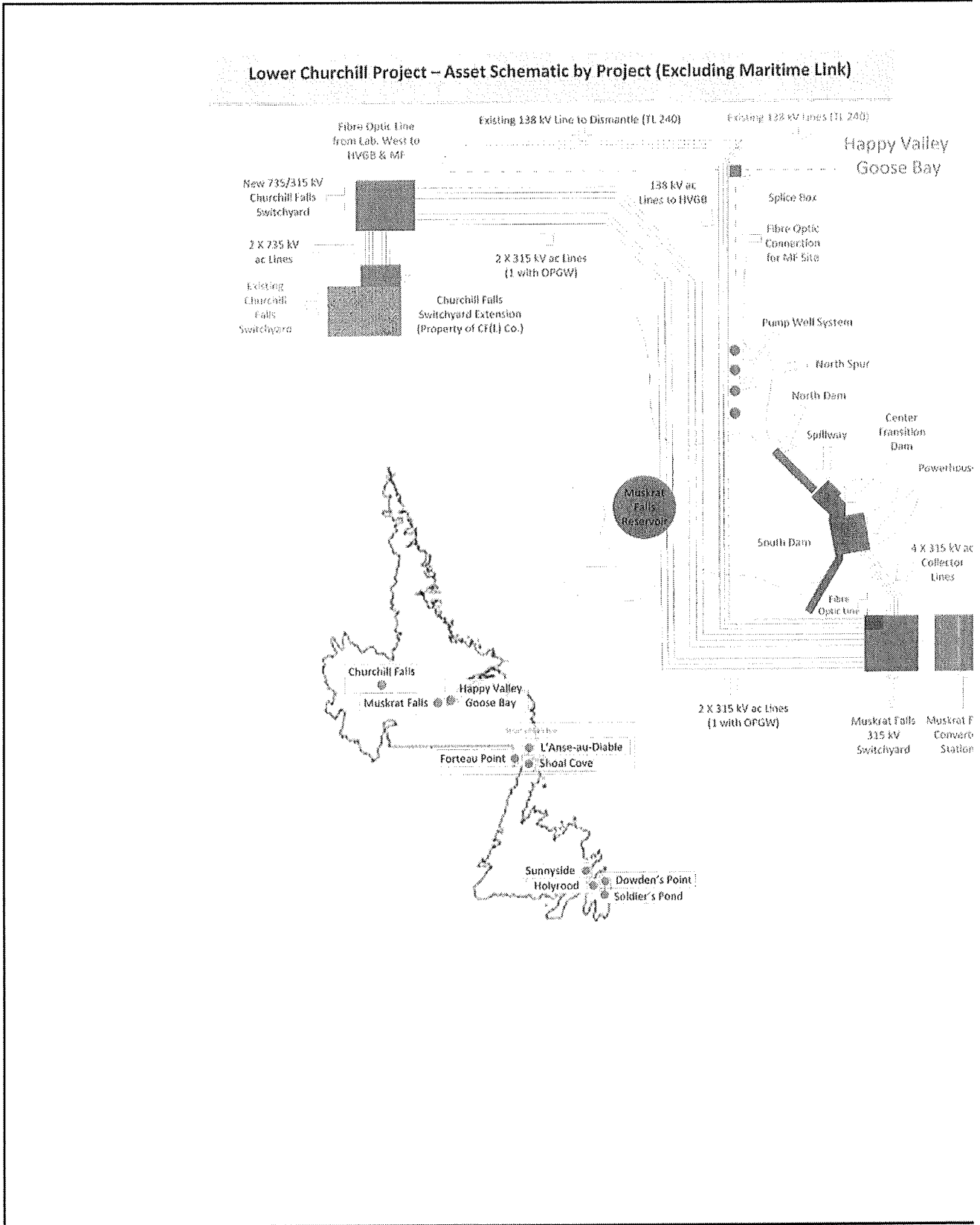
B.0 Attachments/Appendices

B.1 DRAWINGS

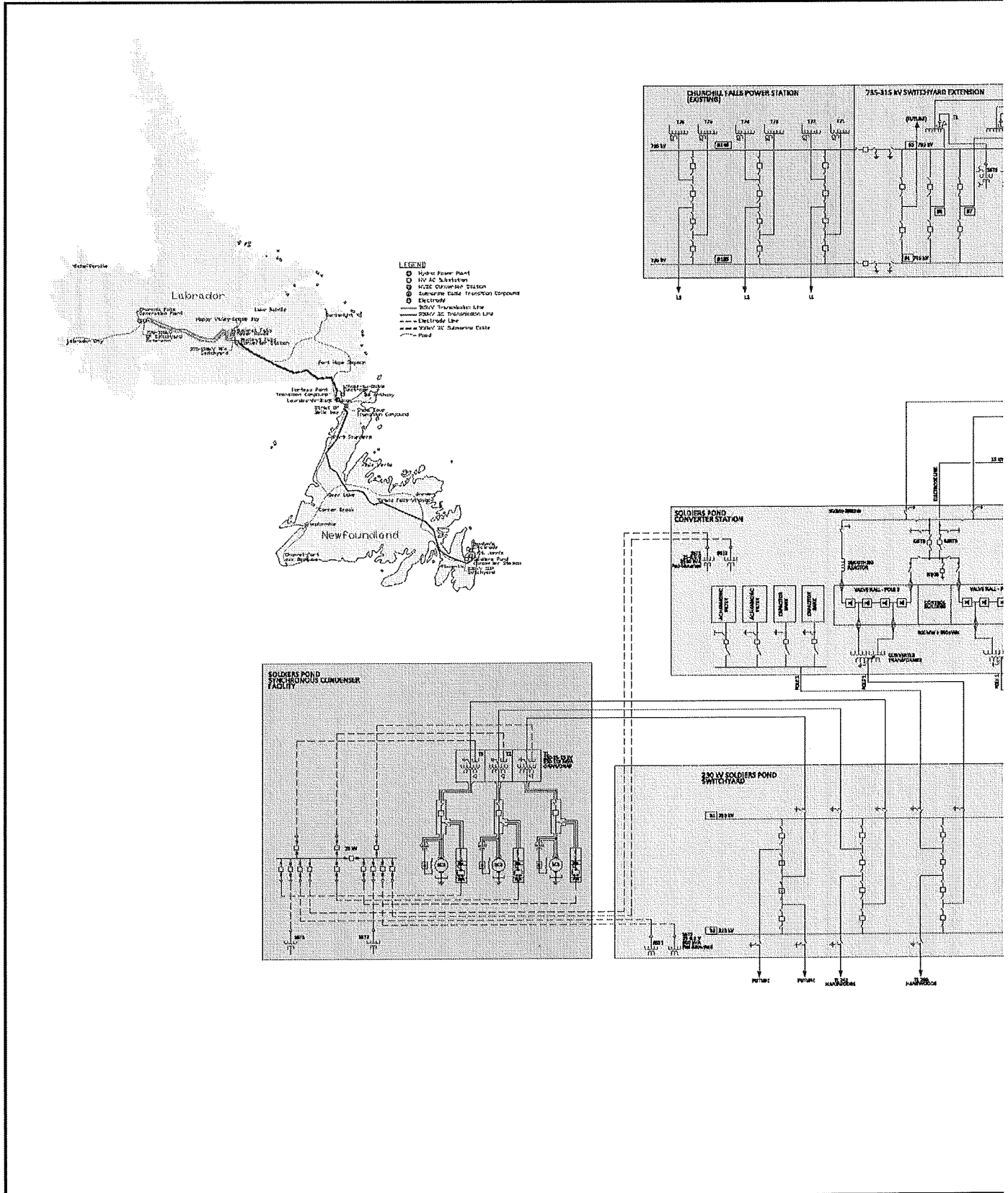
1. Key Plan
2. Schematic
3. Single Line Diagram
4. Muskrat Falls – General Arrangement
5. Muskrat Falls - Elevation
6. Muskrat Falls

Basis of Design

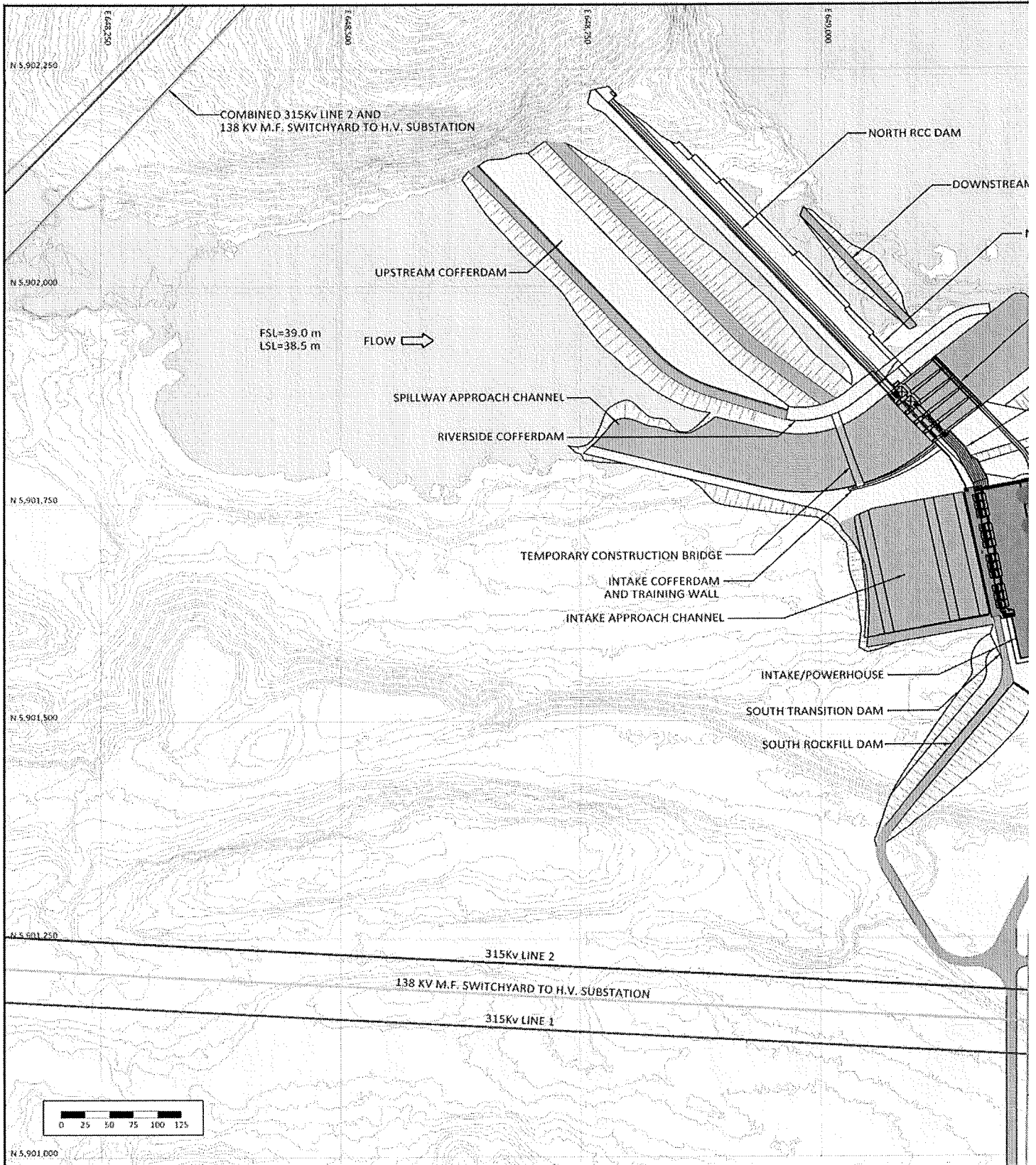




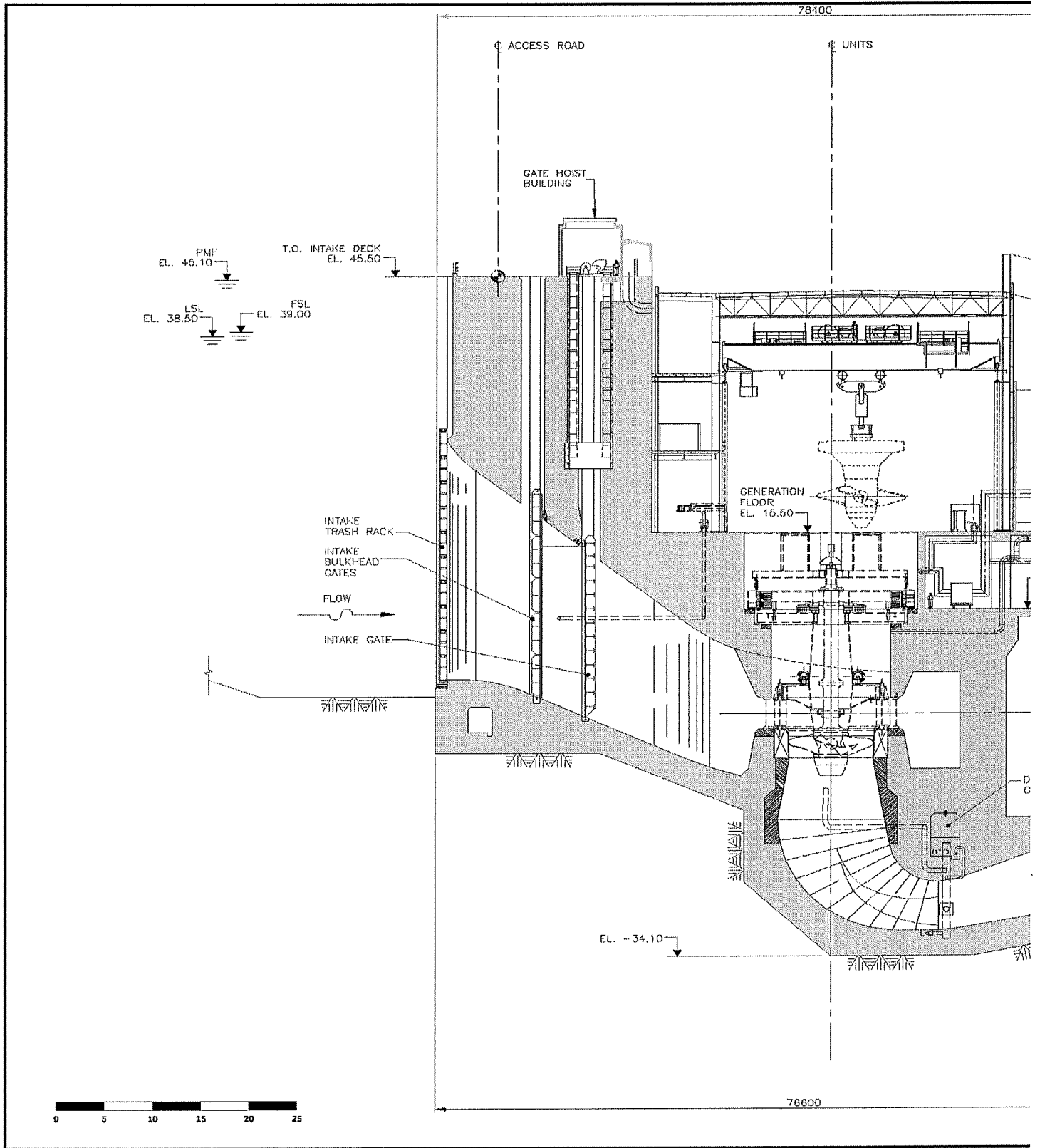
Basis of Design



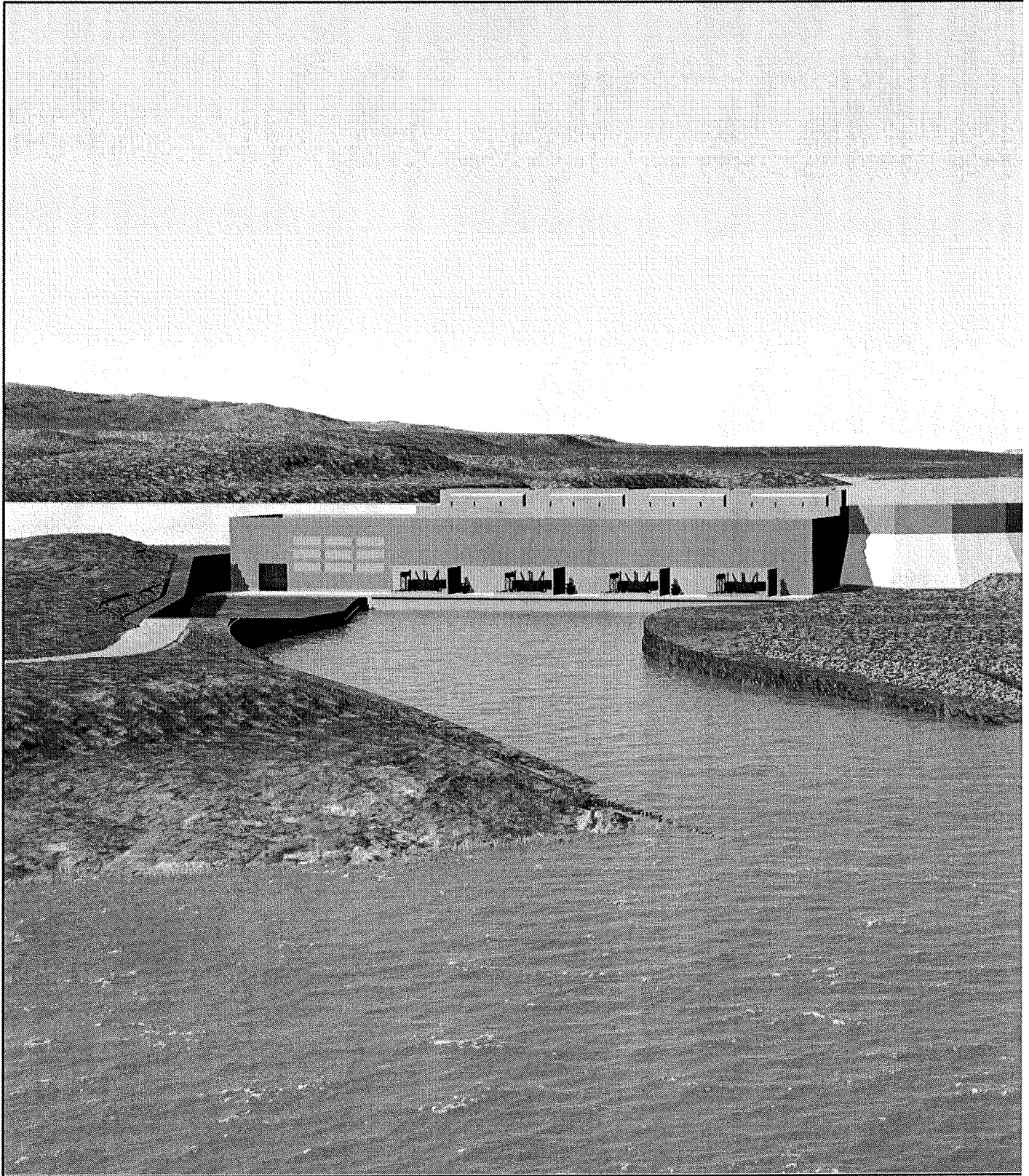
Basis of Design



Basis of Design



Basis of Design



SCHEDULE "BB"

BASE EQUITY COMMITMENT

On the date indicated below, and concurrently with the execution and delivery of the Underwriting Agreement, Muskrat and Labrador Transco have delivered this Schedule and the attached information and documents to the Collateral Agent pursuant to Section 10.29 of the Muskrat/LTA Project Finance Agreement.

Executed as of _____.

MUSKRAT FALLS CORPORATION,
as a Credit Party

Per: _____

Per: _____

**LABRADOR TRANSMISSION
CORPORATION,**
as a Credit Party

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		

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
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	F45056258	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	F45068820	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

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
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	LC001450	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-048	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-2013-1S	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	TBD01041	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
CBCD 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	CAO	AP
Cansel	K04583	18-Oct-13	LCP01443	5.1	\$ 431.66	\$ 382.00	CAO	AP
Cansel	K04845	18-Oct-13	LCP01629	5.1	\$ 576.30	\$ 510.00	CAO	AP
A Taste of Class	4901	18-Oct-13	LCP01119	5.1	\$ 18.50	\$ 16.37	CAO	AP
A Taste of Class	4900	18-Oct-13	LCP01119	5.1	\$ 52.25	\$ 46.24	CAO	AP
A Taste of Class	4908	18-Oct-13	LCP01119	5.1	\$ 68.67	\$ 55,000.00	CAO	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 Instiue	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	CAO	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	CAO	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	CAO	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	CAO	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	CAO	AP
Hewitt Consulting	est	30-Oct-13	LC-PM-046	5.1	\$ 31,075.00	\$ 27,500.00	CAO	AP
Salaries	Est	31-Oct-13	TBD	5.1	\$ 50,300.00	\$ 44,513.27	CAO	AP
Corporate - Overhead	130859	31-Oct-13	TBD	5.1	\$ 152,256.00	\$ 134,739.82	CAO	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)	CAO	Carry forward last cash call
Bell Aliant	INV2252717	1-Oct-13	LCP01042	5.1	\$ (167.01)	\$ (147.80)	CAO	Carry forward last cash call
Bell Aliant	June27/13	1-Oct-13	LCP01042	5.1	\$ (421.51)	\$ (373.02)	CAO	Carry forward last cash call
McInnes Cooper	2013016997	1-Oct-13	15168-OB	5.1	\$ (1,945.86)	\$ (1,722.00)	CAO	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
Beil 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 Managemet	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	CAO	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	\$ 48,638.32	\$ 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	CAO	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	CAO	AP
Cyriil French Visa	July 25/13	19-Oct-13	Pcard	5.3	\$ 3,457.25	\$ 3,059.51	CAD	AP
Hatch	90461698	19-Oct-13	15074-08	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-Dct-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-Dct-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-SB-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-Dct-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	LCPO1611	5.4	\$ 11,390.40	\$ 10,080.00	CAD	AP
Noramtec	180371	12-Oct-13	LCPO1293	5.4	\$ 14,238.00	\$ 12,600.00	CAD	AP
Noramtec	180371	12-Oct-13	LCPO1293	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	LCPO1547	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	LCPO0582	5.4	\$ 16,800.28	\$ 14,867.50	CAD	AP
Dovre Canada Ltd.	33257	17-Oct-13	LCPO0586	5.4	\$ 14,530.67	\$ 12,859.00	CAD	AP
Dovre Canada Ltd.	33449	17-Oct-13	LCPO0763	5.4	\$ 22,475.70	\$ 19,890.00	CAD	AP
Dovre Canada Ltd.	33288	17-Oct-13	LCPO1410	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	LCPO0128	5.4	\$ 116.62	\$ 103.20	CAD	AP
Hatch	90461410	19-Oct-13	LCPO1647	5.4	\$ 9,944.00	\$ 8,800.00	CAD	AP
Hatch	90461405	19-Oct-13	LCPO1305	5.4	\$ 44,790.70	\$ 39,637.79	CAD	AP
Hatch	90461337	19-Oct-13	LCPO1295	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	LCPO1471	5.4	\$ (53,251.58)	\$ (47,125.29)	CAD	Carry forward last cash call
Hatch	90456546	1-Oct-13	LCPO1471	5.4	\$ (37,787.20)	\$ (33,440.00)	CAD	Carry forward last cash call
Hatch	90456537	1-Oct-13	LCPO1305	5.4	\$ (27,653.36)	\$ (24,472.00)	CAD	Carry forward last cash call
Hatch	90456536	1-Oct-13	LCPO1295	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	15168-08	5.5	\$ 89,015.30	\$ 78,774.60	CAD	AP
McInnes Cooper	2013010325	1-Jun-13	15168-08	5.5	\$ 3,995.68	\$ 3,536.00	CAD	AP
McInnes Cooper	2013013391	5-Jul-13	15168-08	5.5	\$ 960.50	\$ 850.00	CAD	AP
McInnes Cooper	2013016181	23-Aug-13	15168-08	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	15025-08	5.5	\$ 67,589.30	\$ 59,813.54	CAD	AP
McInnes Cooper	2013021554	4-Oct-13	15168-08	5.5	\$ 50,680.26	\$ 44,849.79	CAD	AP
McInnes Cooper	2013021530	4-Oct-13	15168-08	5.5	\$ 48,040.03	\$ 42,513.30	CAD	AP
A Taste of Class	4841	11-Oct-13	LCPO0606	5.5	\$ 49.20	\$ 43.54	CAD	AP
A Taste of Class	4839	11-Oct-13	LCPO0606	5.5	\$ 49.20	\$ 43.54	CAD	AP

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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	01IN0000683B05	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	CAD	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	T8D	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

SCHEDULE "DD"

MINIMUM LRA REQUIREMENT

On the date indicated below, and concurrently with the execution and delivery of the Underwriting Agreement, Muskrat and Labrador Transco have delivered this Schedule and the attached information and documents to the Collateral Agent pursuant to Section 10.29 of the Muskrat/LTA Project Finance Agreement.

Executed as of _____.

MUSKRAT FALLS CORPORATION,
as a Credit Party

Per: _____

Per: _____

**LABRADOR TRANSMISSION
CORPORATION,**
as a Credit Party

Per: _____

Per: _____