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Attachments: [ATT1666142.jpg](#)
[Outstanding Business Issues.pdf](#)

Hi all,

Here is a list of items for our discussion momentarily

Auburn



Auburn Warren, CA

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Outstanding Business Issues
November 21, 2013

1. Capital Cost Overruns (Section 4.10)

- Canada requiring pre-funding starting at DG3
- We will try to move them to start at Financial Close
- Need LCP Project Team input on Canada's definition of overruns

2. Debt Service Reserve

- Canada moved from Financial Close to earlier of Commissioning and June 1, 2018
- Nalcor seeking earlier of Commissioning and 7 years after Financial Close
- Simplest one for us to give on

3. Bond Sinking Fund - Investment baskets

- Canada has moved to accommodate Nalcor's position (single name issuances, rebalancing requirements, mark-to-market adjustments)
- No permission to include any NL

4. Amortization start date

- FLG Term Sheet (s3.3) - *The Amortization period is to begin on the earlier of: (i) Commercial Operations Date, and (ii) seven (7) years after Financial Close.*
- Canada appears to have accepted Nalcor's position

5. Consultation Period

- Canada reviewing our request that 150 day consultation period apply to all events of default

6. Assignment of loans/security in case of default

- After consultation period and our opportunity to remedy/cure default, Canada can assign loans without further discussion with NL/Nalcor
- In typical banking transactions this is a customary requirement
- Canada understands political sensitivity but needs to review internally

7. Date Certain as an Event of Default

- As this is an event of default, we wish to select a Date Certain considering the degrees of certainty with respect to scheduling risk that ensures the default is not triggered factoring in that we can extend this date twice for a period of six months for each time
- In consultation with the LCP Project Team, we would propose a Date Certain of February 28, 2019